

CT. 17

9 3 6

BUSINESS WEEK

BUSINESS INDICATOR



putting the spot
eral employe
vil service; i
not. The de
e hasty creati
dealt civil se
But the feder
only offend
nd many citi
er do not ca
ted. The tu
stant increa
al appointee

ment
ers

together—
t' on curren
duction of
national tra
valued, Fran
her tariffs an
t quotas, an
adopting bo

n reasons as
keep the de
ng French li
at the su
ed States an
help by limi
n a devalu

cost more
efore devalu
tariff that w
the article b
on. The sam
ritain and t
Higher cus
s higher fin
rts by Frenc
ota reduc
solini, in de
moving man
same gener

s agreement
abilization o
basis in the
expected. I
ling financ
ged curren
e pound, an
ual relatio
d to fluctua
its; and the
for exampl
eaply again
r the pound

St., New York
or three year
de, McGraw-Hill
l Montgomery
Manager

Louis H. Eng
Clark R. B
R. I. Car
Carter Fe

NESS WEEK



McGraw-Hill
Publishing
Company, Inc.

Business Week

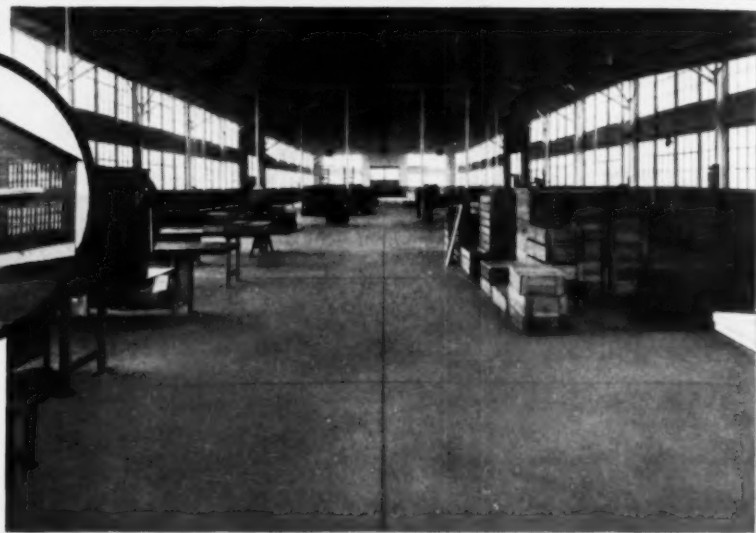
TAL ROLLS ON—Heralded by the National Metal
Show (Oct. 19-23), steel and its metallic brothers
industry move along in the forefront of recovery.

UNIVERSITY OF MICHIGAN
GENERAL LIBRARY
ANN ARBOR MICH
20

WINTER IS NO OBSTACLE TO THE ERECTION OF TRUSCON STANDARD BUILDINGS



Bad weather was no obstacle to the erection of this Truscon Standard Building which was started in mid-winter and completed within a few weeks. Truscon Standard Buildings are permanent structures but can be dismantled and re-erected in new locations with practically 100% salvage value.



● Don't let the prospect of bad weather delay your plans to build a new plant or plant addition! There is no "off-season" with Truscon Standard Building Service. Shop-fabricated steel units are delivered right to the job. No materials are wasted. There are no delays. It's a matter of only a few weeks from start to finish. Furthermore, you secure most value per dollar of your building investment!

You can select any type and size of building... any arrangement of doors and windows... any kind of side walls... any type of roof design. Every Truscon Standard Building is assembled from copper alloy steel units. Additional protection against rust and corrosion is assured by a base panel of ENDURO Stainless Steel. Although permanent structures, Truscon Standard Buildings can be dismantled and re-erected in new locations with practically 100% salvage value.

USE THIS FOR PROMPT REPLY
We are interested in the type of building checked below.

Length.....Width.....Clear Height.....

SERIES-A—pitched roof types

TYPE-1 <input type="checkbox"/>		TYPE-2 <input type="checkbox"/>
TYPE-3 <input type="checkbox"/>		TYPE-3-M <input type="checkbox"/>
TYPE-4 <input type="checkbox"/>		SAWTOOTH TYPE <input type="checkbox"/>

SERIES-B—flat roof types

TYPE-1 <input type="checkbox"/>		TYPE-2 <input type="checkbox"/>
TYPE-3 <input type="checkbox"/>		TYPE-3-M <input type="checkbox"/>
TYPE-4 <input type="checkbox"/>		TYPE-4-M <input type="checkbox"/>

Name.....

Address.....

Truscon Standard Building Service assures that your specifications will be met exactly. Truscon engineers make preliminary studies of your particular needs... prepare layouts... predetermine costs. Truscon maintains trained men... specialists in the design and erection of steel buildings. All details and full responsibility can be centered in Truscon. This advantage saves your time and insures utmost economy.

Fill in the indicated details in the coupon at the left and mail to us. Or communicate with the nearest of Truscon's 54 sales-engineering offices. Or telephone *collect* to us at Youngstown, Ohio, 3-2171.

TRUSCON STEEL COMPANY • YOUNGSTOWN, OHIO

If you are unfamiliar with the location of the Truscon sales offices in your locality, write to Truscon Steel Company, Youngstown, Ohio.

DOUBLE HUNG WINDOWS



LYING DOORS



POPPING DOORS



CLIPPING DOORS



PARTIAL



OCTOB

New Business

1 subject on all business meetings to be the problems of the depression. Theme of the office management conference of the American Management Association (New York, Oct. 21-22) will be the problems of recovery.

PRINTERS PROGRESS SPECIAL continues to swing around the railroads of the country (BW—Sep 12 '36, p13). One of eighteen cooperating exhibitors, American Type Founders, Inc., calls the train "Branch 24." Sales are so brisk that ways and means are being sought for giving the train a year-round schedule.

Few women (few men, for that matter) can visualize room layouts from drawings. General Electric has evolved a way to dramatize the placing of its units in electrical kitchens. Scale mod-



els of units are rented to dealers. The housewife can shift these about until she has her kitchen composition exactly as she wants it. Entertainment value of the models is a great aid to salesmen.

TEN electrostatic dust precipitators, invented by Gaylord Penney, Westinghouse researcher, and installed by Pangborn Corp., are all set to recapture the expensive excess china glaze spray from five automatic glazing machines in the Homer Laughlin China Co. Each automatic glazes five dishes a second, 96,000 a day; each precipitator recovers 1,600 lb. of material per week, valued at 6¢ to \$2 per lb. according to type, 400 lb. a week more than previous equipment; ought to pay for itself shortly.

OVER cigars and brandy last week, conventioners of the National Restaurant Association in Chicago heard speakers name the coming year's needs as a larger gross business and a smaller net

BUSINESS WEEK (with which is combined *The Magazine of Business*), October 17, 1936, No. 372. Published weekly by McGraw-Hill Publishing Company, Inc., 330 West 42nd St., New York, N. Y. James H. McGraw, Jr., Chairman; Malcolm Muir, President; James H. McGraw, Managing Chairman; Glenn Griswold, Vice-President and Editor; R. B. Putnam, Treasurer; D. C. McGraw, Secretary. \$5.00 per year in U. S. A., possessions, and Canada; \$7.50 per year in all other foreign countries; \$26 per copy. Entered as second-class matter February 15, 1930, at the Post office at New York, N. Y., under the act of March 3, 1907. Printed in U. S. A. Copyright 1936 by McGraw-Hill Publishing Company, Inc.

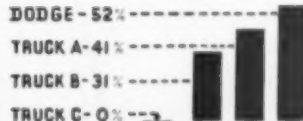
DODGE LEADS!

TOPS LOWEST-PRICED TRUCK FIELD IN RATE OF SALES INCREASE!

HERE'S the best possible proof that all America is swinging toward extra-value Dodge trucks! For the first seven months of 1936, Dodge trucks lead the lowest-priced field in percentage of sales increase! You owe it to yourself—before you buy any low-priced truck—to see a Dodge dealer! Make the Dodge free gas test... then get a "Show-Down" score card and check up on money-saving features for yourself. See your Dodge dealer today!

DODGE—Division of Chrysler Corporation

PERCENTAGE SALES INCREASE FOR 7 MONTHS 1936
(By A. I. POLK & CO.)



1 1/2 TON
130" W.B. CHASSIS
\$505
1 TON
116" W.B. CHASSIS
\$370

1 1/2-Ton Stake—136" W.B., 6-Cylinder—\$690*

NEW THOUSANDS BUY DODGE...
Now Priced with the Lowest TO SAVE MONEY



3/4-TON PANEL—116" W.B., SIX-CYL. Called "America's Handsomest Commercial Car." Has genuine hydraulic brakes, 6 special gas and oil-saving features..... **\$585***



3/4-TON PICKUP—116" W.B., SIX-CYL. Has genuine hydraulic brakes, 6 special gas and oil-saving engine features, safety-steel cab—many extra-quality features, yet priced with the lowest **\$500***

LOW DOWN PAYMENTS LOW MONTHLY TERMS

Not only are Dodge trucks now priced with the lowest, but consult your Dodge dealer and you will find that easy terms can be arranged to fit your budget through Commercial Credit Company. Today, if you can afford to buy any truck, you can afford a dependable, Money-Saving Dodge!

*List prices at factory, Detroit, subject to change without notice. Special equipment, including dual wheels on 1 1/2-ton models, extra.

DEPENDABLE
DODGE TRUCKS



All Electric... Full Automatic

SILENT SPEED CALCULATOR

*Years ahead
in advantages
to you!*

THIS newest MARCHANT sets an exclusive new standard of calculator performance... a record-breaking speed of 1200 C.P.M.*... unprecedented quietness... matchless ease of operation! It is the supreme product of MARCHANT'S quarter-century of experience in creating superior calculators.

Write for Folder "M".

- **NEW SILENT SPEED . . . 1200 C.P.M.*** produced by a unique continuously flowing mechanism . . . without noise.
- **ALL-ELECTRIC . . .** responsive to feather touch . . . not a single operation performed by hand.
- **AUTOMATIC ELECTRIC TWO-WAY SHIFT** smoothly glides the carriage in either direction.
- **REVERSIBLE MULTIPLICATION and COMPARISON DIVISION . . .** both fully automatic . . . simplicity itself.
- **POSITIVE ELECTRIC CLEAR-ANCE . . .** regardless of carriage position . . . by the mere touch of a key.
- **DIALS FOR ALL 3 FACTORS** in perfect alignment for instant checking of all factors.

*C.P.M.—Calculating-speed Per Minute

MARCHANT CALCULATING MACHINE COMPANY

Service throughout the world

HOME OFFICE: OAKLAND, CALIFORNIA, U. S. A.

output of tax and regulation measures. Rep. Wright Patman's proposed federal law to curb sales by manufacturers in the consuming industries was roundly denounced. Promotional activities are to be intensified as ways are sought to hike profit percentages on present volume. The convention set a registration record of 9,500. Last year's figure was slightly over 8,000.

BECAUSE people nowadays walk less and ride more, the umbrella industry has had a tough time. It figures it has lost \$20,000,000 annually to this change in living habits, plus the fact that raincoats and featherweight raincoats have come into vogue. This fall umbrella makers hope to win over more customers by bringing out an umbrella that will fold up to almost nothing.

THIRTY-SIX pairs of fortunate chinchillas (value \$36,000) are going from Peru to California. The animals were flown from their Andean homes to the port of embarkation. It is said that an attempt at commercial breeding will be made in California. Chinchillas live at three-mile altitudes in South America. Price of the fur is high in proportion.

"DAIRY Industries" is a very broad term. It includes producers of milk, ice cream, butter, cheese and other dairy products, plus scientists, engineers, students, and educators, plus makers of machinery, materials, ingredients, and so on. All of them got together at once, this week, for a six-day exposition at Atlantic City. And the walls of the auditorium bulged with 15,000 delegates.

CAPITALIZING a national weakness for beauty contests, *Modern Plastics* magazine, New York, has instituted an annual plastics competition. First prize winners are: Style group—Revolite Corp., New Brunswick, N. J.; decorative group—Sears, Roebuck; industrial group—Toledo Scale Co., Toledo, O.

A RECENT retail phenomenon in Waltham, Mass., revives the old biblical dream of the lion and the lamb lying down together. Organizers came in to align independent store-owners against the "chain store octopus." To their amazement they heard boosts for the chains from independents. In effect, chains were endorsed because of crowds they brought to the shopping district.

AN experimental Booklet Bureau is being set up in New York City whereby consumers who like to get the free literature sent out by national advertisers can do so by a mere telephone call. It eliminates the bother about sending in coupons. Display space for the individual companies will be provided at the bureau and a cooperative advertising campaign is planned.

The JEWELRY of INDUSTRY...

Elevator doors with Nickel Silver trim.

Lantern of cast and rolled Nickel Silver.

Nickel Silver doorway and grille,
Waldorf Astoria Hotel, New York

**SOLID
NICKEL
SILVER**

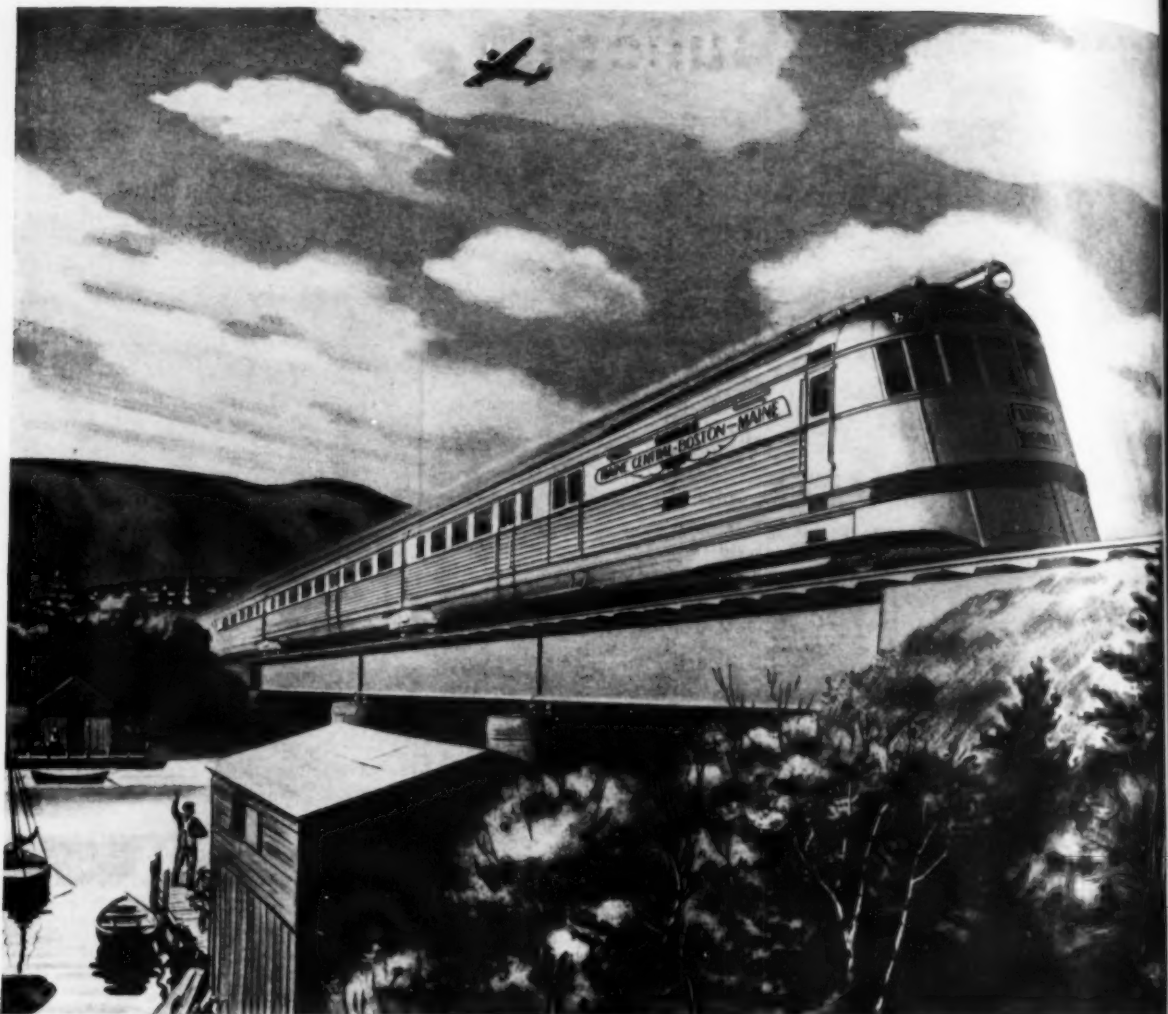
HERCULES and Adonis must have both had a hand in the creation of Nickel. For this versatile alloying element not only strengthens and toughens industry's construction materials but also beautifies many of them by imparting the brilliance of precious metal.

In the solid Nickel Silvers, for example (a family of white bronzes that owe their silvery lustre to Nickel) industry obtains the ideal metal for all forms of decorative and ornamental work. The examples pictured here show some of the various forms to which the Nickel Silvers lend themselves in building decoration. But because they endure as well as adorn, the Nickel Silvers are used for scores of other purposes where resistance to corrosion is essential.

Moreover, the Nickel Silvers are available in a broad variety of forms, embracing a wide range of extruded shapes, sheet, strip and bars as well as a great number of cast compositions. Manufacturers who are engaged in working with Nickel Silvers find that they respond readily to ordinary fabricating processes and apply themselves admirably both to simple and complicated designs. The most popular grades of Nickel Silver have a Nickel content ranging from 8 to 30%. Our experience in the application of Nickel to industrial problems is at your disposal. Send for list of available publications on Nickel and its alloys.

THE INTERNATIONAL NICKEL COMPANY, INC.

NEW YORK, N. Y.



Famous Modern Trains

"Flying Yankee"—Boston & Maine and Maine Central

MAKING HISTORY IN NEW ENGLAND

ALONG the rock-ribbed coast—from Boston to Portland and Bangor—flashes one of the most famous of Budd-built trains. The clear chime of its whistle against New England hills today sets time for countryside that once thrilled to the long-drawn-out call of the Iron Horse.

- Most appropriate that New England, which did so much to promote the railroads of America, should be a leader in the modern transformation of the rails. For the "Flying Yankee," of the Boston & Maine and Maine Central Railroads, is a new kind of train, deriving its basic principle from the most

successful automotive and airplane structures.

- Budd-built of stainless steel, the "Flying Yankee," without power plant, weighs no more than a standard sleeping-car, yet it is one of the strongest and safest things on wheels.

- Operating on a scheduled run of 740 miles a day, the "Flying Yankee" completed 225,439 miles in its first year, despite New England blizzards and devastating floods. It carried 94,524 passengers. Because it did not displace other trains, it brought in actual additional revenue of \$266,863.92.

- From the New England coast to the snow-capped Rockies, Budd-built stainless-steel trains are proving by increasing public demand, and by the hard test of daily performance, that here is one modern solution to the railroad problem. Here is the most modern of all transportation units, always filled to capacity because it satisfies the requirements of the traveling public. Here is a train that can operate profitably, with fares at 2 cents a mile!

Do you want the inside story of Budd-built streamlined trains? . . . Let us send you: "The Conquest of Weight."

EDW. G. BUDD MANUFACTURING COMPANY

PHILADELPHIA AND DETROIT

BUDD METHODS SAFELY ELIMINATE DEAD-WEIGHT

Wa
WASHI
cooperat
Roosevel
for profi
tion in
out of
frankly
wide-op
tion for
buying
probably
posed b
from-th
will reta
ing coop
be aban
dependa
reases.

Farme
Many
prospect
almost as
cooperat
Sinclair's
for Social
farm m
shunning
co-op m
ready li
istic eco
quarrel
enterpri
even tho

Estab
reserve
needed
acting
and iron
fluctuat
franc,
by Adm
periorit
standar
Washing
been b
of agro
seen as
tempt
the dol
to deal

Altr
arbitr
may b
craft a
doesn't
Green
it: W
Carpen
unioni
cutting
the C.

Washington Bulletin

WASHINGTON (Business Week Bureau)—Conservative leaders of cooperative movement are making desperate efforts to forestall Roosevelt's consumer-co-op splurge; for notion that he has substitute for profit system is spreading like wildfire, threatens to present cooperation in false light. Political pressure continues for pulling this rabbit out of the hat before election. Local co-op officials in Middle West frankly expect President to play it hard, if and when he bridges wide-open split among his advisers. Money support by Administration for organization of consumer-buying enterprises, favored by probable majority, is bitterly opposed by others as paternalistic "from-the-top-down" effort that will retard sound growth by making cooperation a popular fad to be abandoned just as soon as un dependable government subsidy ceases.

Farmers Shun Anti-Capitalists

Many cooperative leaders dread prospect of New Deal's patronage as almost as damaging as identification of cooperative movement with Upton Sinclair's EPIC and Coughlin's League for Social Justice has proved. Several farm marketing organizations are shunning association with consumer co-op movement because latter is already linked with attacks on capitalist economy. Farm co-ops have no quarrel with principle of competitive enterprise. The farmer is a capitalist even though small.

Gone with the Gold

Establishment of "discretionary gold reserve standard" imparts flexibility needed in managed exchange. Counteracting speculation, absorbing shocks, and ironing out day-to-day currency fluctuations in dollar, pound, and franc, new arrangement is expected by Administration to demonstrate superiority over operation of old gold standard economics. Consensus in Washington is that old standard has been banished forever. Termination of agreement on 24 hours' notice is seen as safeguard against ulterior attempt to raise or lower the value of the dollar, also leaves government free to deal with any domestic emergency.

Labor Politics

Altruists like John A. Lapp, new arbiter of building trades disputes, may believe there is room for both craft and industrial unionism, but that doesn't explain pacific note in Lewis-Green battle. One interpretation credits William L. Hutcheson, head of Carpenters Union and an arch craft-unionist, with expert maneuvering in cutting ground from under Lewis in the C.I.O. while at same time holding

TAX REPENTANCE?

Did Jesse Jones go out on a limb this week in expressing "confidence" President, if re-elected, will be willing to see Congress revamp tax law so as to encourage capital expenditures for plant and equipment, ease burden on debt-ridden concerns? Washington doesn't think so, although Morgenthau is trying to save Jones down. It is sure that RFC head has pointed out to President destructive effects of law and is not talking now simply for political purposes.

out against peace on terms Lewis can accept. Others see in the peace talk that has issued from two C.I.O. unions a move by Lewis, under political pressure, to string along with Farley and Roosevelt and preserve a united union vote.

Hands Tied by Election

Anyway you look at it, Lewis is in tough spot right now. He can't talk Roosevelt, fight Green, and organize steel in same breath. Washington thinks that steel companies, aware of that, are holding up long-talked wage increase until it will do Lewis most damage—which, of course, is after election, when the gloves come off.

Rising Prices Hit Home

Rising price level is coming home to roost on Administration's housing projects. PWA rejects bids as high as \$1,000,000 in excess of estimates. Big end of rise is not in construction but in mechanical equipment.

Food and Drug Strategy

Confident that Mahomet will come to the mountain, Food & Drug Administration innocently waits in background until Sen. Copeland and Rep. Chapman deliver on their promise to write "an entirely new" food and drug bill. Federal Trade Commission may boast its high-pressure lobby, wise, old F&DA is much more adroit and counts time in its favor. Political fortunes of its adherents have been favorable

and tactics of its opponents are regarded in Washington as assurance that F&DA will be able to cap gains made in past three years of legislative struggle with undisputed jurisdiction over advertising.

Wage Regulation Straw

"No man's land" between federal and state wage-and-hour regulatory powers is still Supreme Court's own backyard. Coupled with refusal to reconsider its adverse decision on New York law, Court's consent to review similar Washington law, upheld by State Supreme Court, makes it look like latter is headed for the unconstitutional ashcan.

Clearing Up the Windfall

Rule by Treasury Department, in General Mills case, permitting deduction for windfall tax purposes of processing tax refunds to direct customers having written contracts clears confusion regarding policy. Complete understanding of procedural latitude is expected to come from meeting of millers with tax officials next week.

Free Service for Railroads

Decision by Interstate Commerce Commission authorizing railroads to give free pick-up-and-delivery service is imminent. Allowance to shippers of 5¢ per 100 lb. in lieu of such service is not at issue in present case but truckmen would just as soon see shippers get this option for it might divert a little business to haulers willing to turn an honest penny by charging less than the allowance.

Motor Act Holds Water

Of much more fundamental importance, ICC's decision hindering railroad invasion of over-the-road truck business is regarded by truckmen as demonstration that the Motor Carrier Act is sufficiently well-drawn to stand a practical test and that Commission will enforce intent of Congress to protect highway transportation by strict interpretation.

Feelings Hurt

There's little salve for Maritime Commission's injured dignity in West Coast strike developments. The Commission resents Asst. Labor Secretary Ed McGrady's blunt request that its members go to Frisco's waterfront and get into action. Because of conditions under which appointed, the Commission has an inferiority complex. Nobody knows better than the Commission how little command it has over the situation. Neither ship owners nor employees need have much regard for the future favor of men who very probably are in the job only temporarily. It is safe prediction that if present Commission negotiates a single sub-



222 East Redwood Street Building, occupied by Mackubin, Legg & Co., Baltimore, Md.

HEATING COST REDUCED \$1,000 IN ONE SEASON

Webster Moderator System Gives
Baltimore Office Building
Well-Balanced Heating

DEPENDABLE DISTRICT STEAM

Baltimore, Md.—The Mackubin, Legg & Company Building saved more than \$1,000 in a single heating season by installing the Webster Moderator System of Steam Heating.

A Webster Heating Modernization Program was carried out in this Baltimore building in the fall of 1933. The decision to invest in central heating control, at a time when most buildings were following a rigid retrenchment program, was made after careful study. The estimated savings well justified the investment.

During the 1933-34 heating season, steam costs were reduced approximately \$1,000. This represented a reduction of over one-third in the former heating cost and practically paid for the cost of modernization.

For several years prior to Webster Heating Modernization, the Mackubin, Legg & Company Building used dependable district steam service. In connection with the modernization program, an additional steam line was introduced to supply heat to the ventilating system. The combination of district steam service and Webster Moderator Control gives the building remarkable heating service.

Steam savings were accomplished without sacrificing the comfort of building occupants. Heating was much more satisfactory than without the control. The warm-up period has been shortened and all radiators get steam at the same time and in approximately the same amounts. The changeover to the Webster Moderator System was accomplished without inconvenience to the building occupants.

A Webster Heating Modernization Program offers building owners and managers an opportunity to protect their property investment, keep tenants well satisfied and make a substantial saving.

If you are interested in heating new buildings, or in improved heating service and lower heating cost in your present building, address
WARREN WEBSTER & CO., Camden, N. J.
Pioneers of the Vacuum System of Steam Heating
Branches in 60 principal U. S. Cities—Estab. 1886

sidy contract, the Senate will not confirm the appointments. It would be hard enough for a body that didn't have the axe hanging over its head to fight bloc that wants private operation to fail so that the government will be forced to take over.

Labor's Walsh-Healey Demands

Breach between Madam Perkins and organized labor is widening over administration of Walsh-Healey Act regulating hours and wages on government contracts. Fearing temporary board will let matters drift and thus establish objectionable precedents, labor wants more enforcement, less fuss-and-feathers. Unions don't like exemptions, such as proposed by Cotton-Textile Institute, that perpetuate concessions forced from them in NRA code negotiations. As labor sees it, it's a fight to the finish against a "dirty slate."

Power Battle Still On

White House power truce will not cramp nip-and-tuck battle of Ickes and Electric Bond & Share. PWA's \$3,000,000 offer to Memphis for distribution system gives point to city's recent court victory over B. & S. local company, which sought to enjoin construction of duplicate facility. A few days later West Tennessee Power and Light, another subsidiary, crashed through injunction against \$663,000 grant to Jackson City, Tenn.

Liquidation Lineup

RFC's policy regarding bid-in properties, on which there has been much speculation, contemplates sale to best-qualified operators, looking toward continuation of employment and business. Where sale is not possible, orderly liquidation will follow. In the last month RFC has bid on and got India Tire Co. of Akron, loan \$190,000; and Cretona Print and Dye Works of Clifton, N. J., loan \$400,000.

Balancing Buying Power

To keep in line with its new goal—parity of farm and urban income—Agricultural Adjustment Administration will be busy for several months in developing statistical basis for measuring relative per capita purchasing power on farms and of persons not on farms. The ratio will show month-to-month and season-to-season progress made toward establishing equality of living standards in town and country.

To Save Suckers

To curb high-pressure selling of whisky warehouse receipts to the public, Federal Alcohol Administration will recommend amendment of Securities and Exchange act to confine trading to legitimate channels by subjecting it to jurisdiction of SEC. Smooth

promises of big profits in liquor are still drawing sucker money, despite repeated warnings by FAA, and distilling operations carried on to back up paper are aggravating present overproduction.

Conflict of Authority

SEC is getting many complaints about whisky receipts and would be glad to take over a clean-up job. As in oil royalties, the offending parties are the same who were smoked out of the bucket shops. There is conflict of authority with Post Office Department concerning mail frauds and much discussion in SEC itself whether or not (1) warehouse receipts are securities or simply evidence of ownership of a commodity; and (2) whether the present law gives SEC jurisdiction. And there's always the states' rights question.

Ickes' Turn to Crow

Oil industry is heading into another jam that plainly asks Congress for federal control and plays right into Ickes' hands, with expiration of Connally hot oil law in offing to force issue. Texas control of output has succeeded so well that other states are stealing its markets. Because its share of estimated month-to-month demand is dropping, Texas commission, under pressure at home, refused to string along with U. S. Bureau of Mines estimates, fixed a higher allowable for October. That crack threatens to spill a lot of oil and break prices as states again race to get jump on each other. With pleasant anticipation, Ickes is waiting to remind Congress that "I told you so."

Dodging Anti-Trust Troubles

Authoritative advice in Washington is that Dr. Murchison, of Cotton-Textile Institute, should go to Congress with his proposal for establishing a stabilization corporation in the industry. Legislation along lines suggested by cabinet committee a year ago is preferable to running gauntlet of anti-trust laws. There is always suspicion bred in mind of Department of Justice when any plan of this kind is effective.

Rattling the Skeleton

For the record: An aeronautical engineer who has served the government with distinction under both party administrations for 20 years says that Elliott Roosevelt-Fokker story was written a year ago. Authors hawked it quietly among several publishers but didn't get a bite, even from Republicans, until election time drew near. And what does it reveal? That young Roosevelt was ambitious to get into the international aircraft trade and that Papa turned him down.

YORK HAS BECOME "HEADQUARTERS FOR AIR CONDITIONING" BECAUSE OF THINGS LIKE THESE

"I kin feel it in my bones"



"We're due for a sou'easter tomorrow—I kin feel it in my bones," thus many an old-time seaman still predicts the weather. "It'll rain before sundown," says Grandfather Robbins, "my rheumatism is acting up."

Man has long associated his physical reactions with the weather—and rightly. It plays a tremendous part in the way we feel, work and think. For this reason, the John B. Pierce Laboratory of Hygiene at New Haven, Connecticut, will be followed with interest by scientists in many fields. *Here will be the most modern attempt to collect accurate data on the effect of weather on health and human behavior.*

Naturally, the heart of the laboratory is the air conditioning system, and to York was entrusted the job of producing a system that would meet the rigid requirements of the architects and engineers who designed the laboratory. Atmospheric conditions can be exactly controlled, not only as to temperature, pressure and humidity, but also as to ionization of the air, about which so little is known even in this electrical age. Subjects will be studied under every possible condition and perhaps, we will learn just *why* the weather is our most universal topic of conversation.

York is proud to offer this example of air conditioning because it is representative of the precision behind every York installation. No matter what job you may call in York to air condition, with the specifications will go something which cannot be covered by words and figures... a tradition of *engineering* excellence over fifty years old... a nation-wide *service* organization which has taken half a century to build... There are over 60,000 Engineered York Installations in operation today.

● No matter whether you are selling a product or a service, air conditioning can help you sell more of it. Before you decide upon any system of air conditioning, we invite you to use York as a Yardstick of Value. York Ice Machinery Corporation, York, Pennsylvania. Headquarters Branches throughout the world.

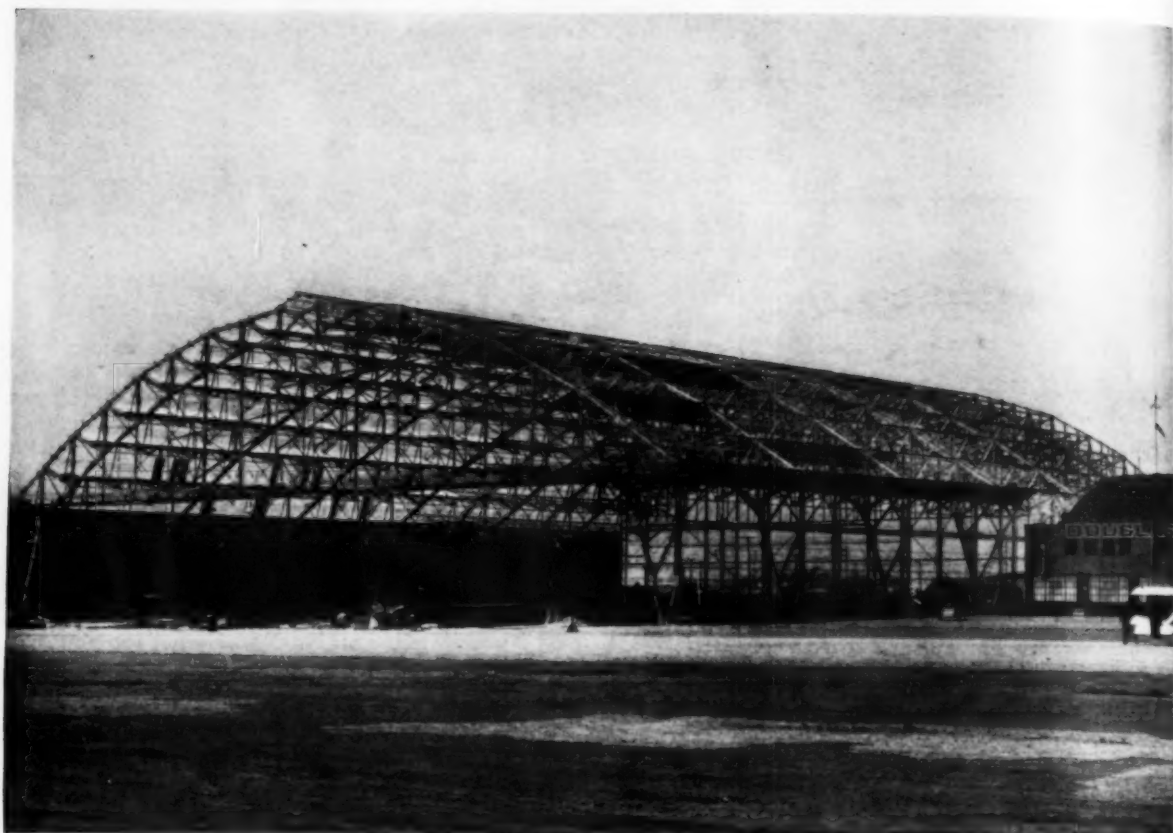
Kid Gloves You don't usually associate interior decorating with an engineer, but your Architect or Consulting Engineer will tell you that we really do see that York Air Conditioning Systems not only perform efficiently, but *look* well. York engineers do not harm your premises or unduly disrupt your operations. They work fast... and yet handle your decorations with the proverbial kid gloves.



YORK *Headquarters for Mechanical Cooling since 1885*
AIR CONDITIONING and REFRIGERATION

Bethlehem

builds Airport structures



Hangar of Douglas Aircraft Company, Santa Monica, California. Steelwork by Bethlehem.

PROPER hangars and other buildings are as important to air transport as terminal facilities are to a rail system.

Bethlehem Steel Company built the steelwork of the hangar for the Douglas Aircraft Company at Santa Monica, Calif., largest structure of its kind ever built for the airplane industry. This construction

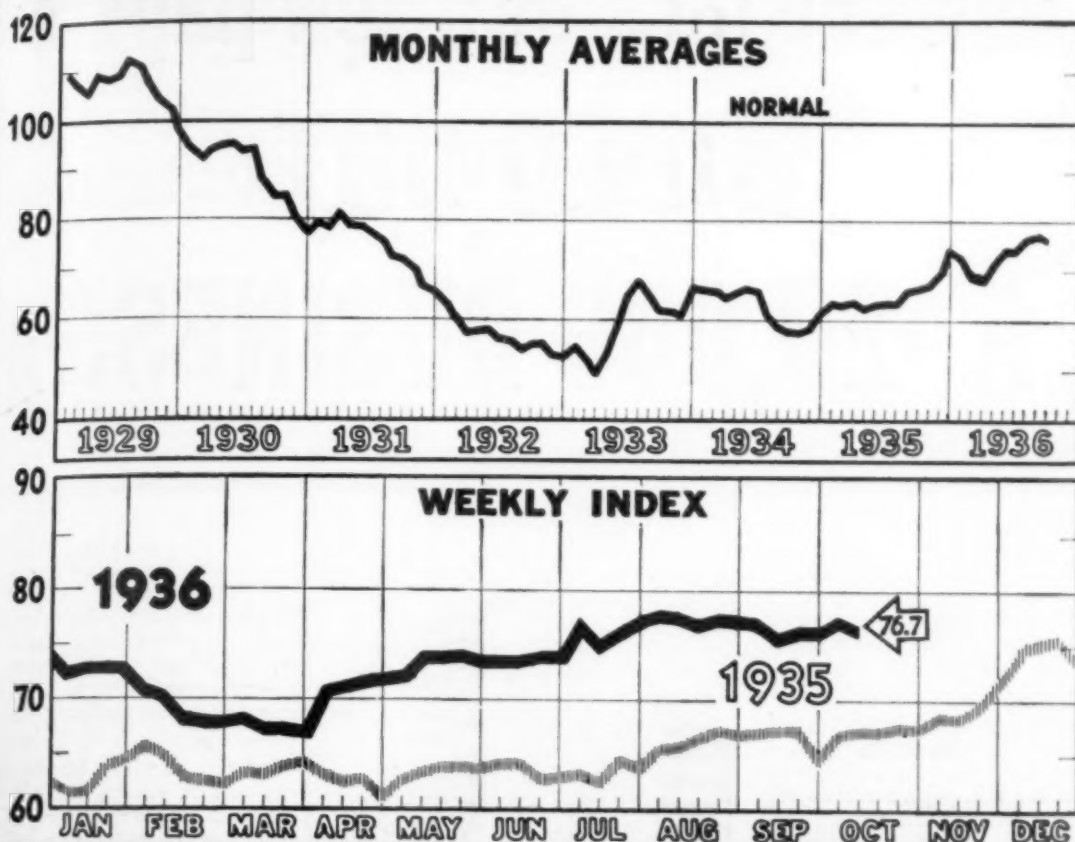
work and the hangars at Lakehurst and Sunnyvale are examples of Bethlehem's versatility in the fabricating of steel.

As the largest steel construction company in the world, Bethlehem is equipped to fabricate and erect steel for every type of structure, from a gardener's lodge to a Golden Gate Bridge.

BETHLEHEM STEEL COMPANY



BUSINESS WEEK'S INDEX OF BUSINESS ACTIVITY



	Latest Week	Preceding Week	Month Ago	Year Ago	Average 1931-35
BUSINESS WEEK INDEX	*76.7	†77.5	76.0	67.0	63.2
PRODUCTION					
*Steel Ingot Operation (% of capacity)	75.9	75.3	72.5	50.4	31.8
*Building Contracts (F. W. Dodge, daily average in thousands, 4-wk. basis) . .	\$10,098	\$11,067	\$10,392	\$6,920	\$6,308
*Bituminous Coal (daily average, 1,000 tons)	*1,525	†1,457	1,369	1,171	1,188
*Electric Power (million kw.-hr.)	2,168	2,169	2,029	1,867	1,666
TRADE					
Total Carloadings (daily average, 1,000 cars)	137	135	127	118	114
*Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars)	84	84	81	74	73
*Check payments (outside N. Y. City, millions)	\$4,642	\$4,455	\$3,145	\$3,513	\$3,611
*Money in Circulation (Wednesday series, millions)	\$6,305	\$6,266	\$6,276	\$5,698	\$5,533
PRICES (Average for the Week)					
Wheat (No. 2, hard winter, Kansas City, bu.)	\$1.22	\$1.22	\$1.19	\$1.22	\$1.81
Cotton (middling, New York, lb.)	12.34¢	12.47¢	12.47¢	11.24¢	9.25¢
Iron and Steel (Steel composite, ton)	\$34.60	\$34.62	\$34.10	\$32.86	\$30.97
Copper (electrolytic, Connecticut Valley basis, lb.)	9.750¢	9.750¢	9.750¢	9.250¢	8.029¢
All Commodities (Fisher's Index, 1926 = 100)	83.8	84.0	84.2	85.8	73.2
FINANCE					
Total Federal Reserve Credit Outstanding (Wednesday series, millions)	\$2,472	\$2,473	\$2,483	\$2,478	\$2,298
Total Loans and Investments, Fed. Res. rep't'g member banks (millions) . .	\$22,607	\$22,682	\$22,433	\$20,354	\$19,488
*Commercial Loans, Federal Reserve reporting member banks (millions) . . .	\$5,488	\$5,511	\$5,347	\$4,942	\$5,646
Security Loans, Federal Reserve reporting member banks (millions)	\$3,215	\$3,242	\$3,260	\$3,033	\$4,123
Brokers' Loans, Federal Reserve reporting member banks (millions)	\$1,174	\$1,194	\$1,241	\$953	\$896
Stock Prices (average 100 stocks, Herald-Tribune)	\$125.25	\$123.93	\$122.22	\$107.12	\$98.00
Bond Prices (Dow, Jones, average 40 bonds)	\$105.50	\$105.33	\$104.62	\$95.66	\$87.96
Interest Rates—Call Loans (daily av'ge, renewal) N. Y. Stock Exchange . . .	1%	1%	1%	1/4%	1.1%
Interest Rates—Prime Commercial Paper (4-6 months) N. Y. City	3/4%	3/4%	3/4%	3/4%	1.5%
Business Failures (Dun and Bradstreet, number)	164	147	110	174	344

* Factor in Business Week Index *Preliminary †Revised.

This Weekly Index of Business Activity is covered by the general copyright on the contents of *Business Week* and may not be reproduced without special permission.

© Business Week

How the loss of a few papers WIPE OUT A \$20,000 BUSINESS

IT WAS only a ten minute fire. Like hundreds that occur every day. But it wiped out a \$20,000 business.

Amazing? Yes, but what happened to this firm can happen to you tomorrow. *It can happen to any business that keeps its papers in ordinary steel files.* Intense heat turned old-fashioned thin walled steel files into ovens. Every paper burned to a crisp! Gone were the letters that established the company's claims in a pending suit. Without them the suit was lost. Gone too were original specifications on an expensive installation. The customer wouldn't pay, claiming the work was not as he had approved plans.

It happened overnight, as unexpectedly as lightning strikes, this small fire that ruined a going concern. And statistics show that 43% of businesses that lose their papers



suffer the same fate. They are wiped out, bankrupted.

Protection for a few cents a day
To make your papers safe, Remington Rand has developed Certi-file.

Here is a new kind of file that gives 30-minute protection in the hottest fire, yet brings you this as a *plus value*—it actually costs very little more than the ordinary fire-trap steel file.

Before you buy files, be sure to see Certi-file. A special trade-in offer permits file replacement with Certi-file without immediate expenditure, on terms as low as a few cents a day. The Remington Rand man in your city can give you details. Or mail the coupon.



Ordinary steel files after a 5-minute blaze—papers are worthless.



Certi-file gives 30-minute fire protection at low cost. Saves papers.

HOW UP-TO-DATE IS YOUR OFFICE?

New methods and equipment make the following improvements possible

1. Inventories can now be held down while sales increase.
2. Collections can be speeded up. You can run your business on less capital.
3. You can increase sales at lower costs through new methods of getting facts.
4. Your vital papers can be protected. 43% of businesses that lose their paper records go bankrupt.
5. New methods can increase filing efficiency and lower costs.

Modernize to economize

OK...it's from Remington Rand

Remington Rand Inc., Dept. G-2101
465 Washington Street
Buffalo, N. Y.

Without obligating me, please send me your booklet, "Pieces of Paper," and tell me how to reduce filing costs and protect my valuable papers. I am also interested in ☐ new methods for reducing inventory; ☐ keeping closer control on sales; ☐ modern record protection; ☐ speeding up billing and improving collections.

Name.....
Firm Name.....
Street Address.....
City and State.....

The Business Outlook

WHILE the new tripartite agreement to stabilize currencies may not have met with universal approval, it was in line with expectations. Exporters and importers are vitally interested in developments affecting the three leading currencies, but industry as a whole is concentrating on winding up 1936 domestic business with a bang. Retail trade made a better showing last month than expected, and now counts on brisk sales for the balance of the year. Steel consumers are piling up orders at the door of mills so steadily that deliveries are a real problem.

Big Output of Soft Coal

Bituminous coal production has now crossed the 9,000,000-ton-a-week level. Industrial stocks of hard and soft coal in early September ran nearly 10,000,000 tons behind those of last year, ample evidence of the increased activity of coal consumers. Power production has remained above the two billion kw.-hr. mark for 14 consecutive weeks. Carloadings are fulfilling expectations this month with the best records since late 1930.

Machine Tool Market

Machine tool sales last month fell somewhat below those of the preceding two months, a trend which the industry ascribes partly to election uncertainties and partly to the fact that buyers have exhausted this year's budget allowance for new equipment. Backlogs of business are still ample enough for manufacturers to keep running at a good pace for the balance of the year.

Pricing the New Cars

The crop of price cuts on higher-priced automobiles appearing recently has aroused considerable speculation on the trend of prices for the more popular models yet to be announced. Cuts have been posted for the Lincoln-Zephyr, certain Buick models, and several of the Graham-Paige line. A lower-priced Chrysler is rumored together with a Willys-Overland placed at \$100 below other standard cars. Consensus of opinion so far, however, is that these cuts in the upper brackets are in line with the industry's policy to widen its market by price inducements, but that they give no clue as to policy with regard to the volume market. These await the moves of Ford and Chevrolet.

Ford and Others

Ford is getting under way with the new models so slowly that estimates of the current month's output are being pared. It now seems likely that the month will not equal the 280,316 units of a year ago. Last month

YEAR'S RETAIL BUYING

Last year, as census reports disclose, the American public spent \$32,790,267,000 in the country's retail establishments—31% more than in the depression year 1933, but short of the 1929 volume of \$49,114,653,000 by about 33%. Each section of the country shared in the more liberal spending of the public, but the Mountain states did best with a 47% gain, while the densely populated Middle Atlantic states gained least, or 25%.

manufacturers, except Ford, reduced their assemblies to a mere 56,302, but the total for the month for all producers probably was near 125,000.

Sales at Season's End

Automobile sales are tapering in normal seasonal fashion, with estimates for last month putting passenger car sales at 200,000 (the best for the month since 1929) and truck sales at 50,000 (the best for any September in the history of the industry, but below the volume of preceding months).

Buying Rolling Stock

Railroad buying has been the feature of steel markets in recent weeks. September orders of freight cars rose to 1,750, bringing the nine months' total to 37,433, the best for any full year back to 1930. The year as a whole stands a good chance to better every year back to 1929. Already 158 locomotives have been ordered, and in the past week several important inquiries appeared.

Wage Demands in Steel

Recognition by Carnegie-Illinois Steel Corp. of a bargaining committee of 18 representing some 50,000 employees, plus some enlarging of powers of employee representatives, seemed to bring the request for increased wages in the steel industry one step nearer a decision. Oct. 15 had been set as a deadline by employees for an answer to their request, but they announced a four or five day extension.

Rise of Paper and Pulp

The paper and pulp industry has climbed back to pre-depression levels, largely as a result of the boost from the paper board and kraft paper divisions. The recent opening of the first section of Union Bag and Paper Co.'s new plant at Savannah, Ga., focuses attention on the shift of this division of the industry to the South. This week ground was broken at Georgetown, S. C., for an \$8,000,000 kraft paper and board mill for Southern Kraft Corp.

Dry Goods Selling Well

Better sales than had been anticipated featured the retail dry goods markets in September. Department store sales gained 14% over a year ago, with the Cleveland, Atlanta, and St. Louis Federal Reserve districts gaining 20% or better. Variety store sales of dry goods increased more than 13% over August, which is more than customary for the period, while rural retail sales increased fully 27% in the same period. Sears, Roebuck did more than \$50,000,000 worth of business in the four weeks between Sept. 11 and Oct. 8, the first time in its history that this mark has been surpassed.

Dent in One District

Bank debits, one of the best single indicators of the trend of trade in general, reflect the dent which the drought and possibly labor difficulties made on business in the Northwest. In September, only the Minneapolis Reserve district failed to register a gain when compared with a year ago, but this loss was held to a modest 2%.

All-Freight Planes

Transcontinental and Western Air, the highly independent airline among transport companies, which recently cut passenger fares drastically, has now announced an experiment of all-freight planes, instead of the customary procedure of flying freight and passengers simultaneously. What interests the industry particularly is the steep cut in rates amounting to more than 50% between Eastern points covered by TWA.

Bakers Keep Payrolls Up

The baking industry is pretty pleased with the census returns for 1935 which revealed that it had done its share toward reducing unemployment by carrying more wage-earners on its payroll in 1935 than in 1929. Output increased 33% in value between 1933 and 1935, and with additional gains in the current year, some divisions will establish new highs. Important in improving profit margins is the elimination of the $\frac{1}{4}$ ¢ a pound processing tax on bread, with only a 1/10¢ loss in retail prices.



PARALYZED

A SUDDEN STORM breaks a power line. Shafts stop turning. Lights go out. A whole plant is paralyzed.

There are other, equally vital phases of production where interruptions, or delays, are equally disastrous—and costly.

When iron or steel proves "temperamental" in casting, or in heat treating—when there is a sudden run of rejects, or part failures—production is paralyzed.

Moly irons and steels reduce such hazards to a minimum. Moly irons eliminate many casting troubles. Moly steels safeguard production by their

uniform response to heat treatment, and inspection-proof fabrication. Moly irons and steels both consistently improve product quality.

If you use—or make—any type of ferrous material, it will pay you to investigate Molybdenum—as a production-speeding, cost-cutting, product-bettering, sales-making, good-will-building asset.

Our interesting non-technical book, "Molybdenum in Industry," outlines what Molybdenum can do for you. Free, on request, to executive, production and sales heads. Climax Molybdenum Company, 500 Fifth Ave., New York.

MOLY

CUTS COSTS

↑
CREATES SALES
↓

B
Gold
Brit
has
of h
for the
1931, wh
currencies
of the flig
of re-esta
in interna
clear this
Treasury
of the
France an
United S
demandlin
bargain.
But it
gold. T
et France
want it,
plus 1/2
either F
sell gold
buy at \$
dollar ch
be made
tion fun
banking
The
"normal
shroude
funds h
to publ
that the
rangem
stabiliz
govern
the int
More
In t
stand
When
demob
long-te
to plac
in cur
that, v
ment
cept h
Gre
monet
By gar
thau t
British
positio
Which
dollar
then g
France
OCTO

OCTOBER 17, 1936

Gold Hitching-Post

Britain has one and France has one, but America hasn't, under gentlemen's agreement. We get worst of bargain—but help to stabilize the world.

For the first time since September, 1931, when Great Britain quit gold, and currencies went through a five-year run of the flip-flops, the world has a chance of re-establishing a semblance of order in international exchange. This became clear this week when Secretary of the Treasury Morgenthau released the terms of the "gentlemen's agreement" with France and Great Britain—in which the United States reached the acme of gentlemanliness by getting the worst of the bargain.

But it's all for the good old cause of gold. This country is now prepared to let France and England have it, if they want it, at a fixed price: \$35 an ounce plus 1% for handling charges. And if either France or Great Britain wants to sell gold to America, this country will buy at \$35 an ounce less 1% for handling charges. All such transfers will be made through the various stabilization funds and not through ordinary banking channels.

The gold movement between the "normalization triumvirate" will be shrouded in mystery. The stabilization funds have not yet opened their books to public inspection, nor is there a hint that they will shortly do so. The arrangement appears to perpetuate the stabilization fund as a method by which governments will manage currencies in the international market.

More Management of Money

In this respect, the traditional gold standard, as such, is on the ragged edge. Whether the stabilization funds can be demobilized, following this step, is a long-term question. The action appears to place governments deeper than ever in currency management. More than that, what is going on in the management will not be known to anyone except high fiscal officials.

Great Britain, always known for her monetary astuteness, made a fine deal. By gaining the consent of Sec. Morgenthau to sell gold at a fixed price, the British stabilization fund will be in a position to convert dollars into metal. Which means that the English can buy dollars in order to weaken sterling and then get gold for the dollars acquired. France can do likewise to depress the

franc in relation to the American currency unit.

The only fixity in the agreement—for the time being—is the dollar, which is tied to gold; and that means that both the British and the French stabilization funds can use the dollar as the lever on which to raise or lower their currencies in terms of gold. Great Britain has full leeway; France has self-imposed limitations, inasmuch as Parliament set the franc range between 4.3¢ and 4.9¢.

No Fixity for Dollar

The dollar stabilization fund has no fixed hitching-post. True, the French and the English have agreed to sell gold to the U. S. stabilization fund, but the price is not established in terms of francs or pounds.

Both France and Great Britain will know where they stand at all times, because \$35 an ounce is the American quotation on gold. The only escape for Mr. Morgenthau, in case these conditions are too irksome, is to break the

agreement, which is, as he puts it, on a 24-hour basis.

Other nations have been invited to join the triumvirate. This is a definite move in the direction of *de facto* currency stabilization. And unless the upward pressure against the dollar becomes too great—because perhaps Great Britain tries to get the pound down too low—it is logical to expect that some sort of managed stabilization within limits will ultimately be reached. That will come when Great Britain gets the pound at a level that satisfies.

Helps British Exporter

In the meantime, sterling seems to be moving toward the \$4.80 mark. That gives an export advantage to the British and sterling-area countries—Sweden, Norway and Denmark—and to Japan, which is not sterling-area, but whose yen is hooked into the pound. To American manufacturers and merchants, competing against these countries, the near-term outlook is not entirely rosy.

For the long pull, opening up the American gold inventory to the world is a bullish influence. United States holdings amount to about \$11,000,000,000—much more than necessary to support the currency and the credit base. If an outward flow develops, it will strengthen the financial position of other nations.



PLENTY OF COMPETITION—In contrast with American automobile shows, where most of the models are home products, the European exhibitions feature an international rivalry between French, British, Italian, and American makes. This is the American section of the Paris show at the Grand Palais. Our own automobile shows are scheduled for next month, leading off Nov. 11-18 at the Grand Central Palace, New York.

That, in itself, would be a factor in stabilizing exchange rates and stimulating international transactions.

Hence, though the immediate effect of a depreciating pound is apt to cause disquiet among exporters, the long-range effects are favorable. Moreover, the agreement implies restrictions on Great Britain against using a depreciating pound as a weapon to increase foreign trade. If the English try that game, Mr. Morgenthau can give his "24-hour notice."

High Court on Job

Wage law rebuffed by Supreme Court; government wins point in utility case.

OFFICIALLY unconscious of the approaching election, the United States Supreme Court began the first real work of its fall term on Columbus Day. No cases were heard but rulings were nevertheless significant since they affirmed death sentences or granted hearings on important measures.

The court refused or consented to review some 290 cases. A final "No" was given New York's Minimum Wage Law for women (*BW*—Jun 6 '36, p. 36). At the same time, the court agreed to pass on Washington state's minimum wage law. The latter case hinges on \$216 allegedly due Elsie Parrish, chambermaid, from a hotel which paid less than the rate set by Washington's Industrial Board.

State Rulings Vary

One explanation of the apparent inconsistency is that the Washington law has been upheld by state courts and hence would be valid unless the U. S. Supreme Court acted on it. New York's law was declared unconstitutional by the state's highest tribunal.

The following are some cases which the Supreme Court agreed to hear during the present term:

The government's petition to stay Dis-

trict of Columbia Supreme Court proceedings involving the validity of the Wheeler-Rayburn Public Utility act. The utilities want to push these cases; the government wants to stop them until its handpicked Electric Bond & Share case is heard.

Suit of the Virginian Railroad involving the right of workers to bargain collectively under the Railroad Labor Act.

Application of the gold clause resolution of 1933 to rental contracts calling for payments in gold according to the 1894 standard.

The government's contention involving the constitutionality of the 1934 Arms Embargo act which delegated to the President the embargo power.

Constitutionality test of the tax on profits in silver futures made prior to the Silver Purchase act.

Test of the Ashurst-Sumners Act protecting states with prison goods prohibitions from shipments of such goods by other states.

Test of Illinois' Resale Price Maintenance Law.

Rejected by the Court

Among the cases which the Supreme Court refused to review were the following:

Direct appeal from a United States district court which upheld the Frazier-Lemke Act granting a three-year moratorium on farm mortgage foreclosures. The appellant will have to carry his appeal to the Circuit Court first.

Attack by a brokers' group on the Securities Exchange Act.

Municipal Bankruptcy act, which the court held unconstitutional last spring. Review was asked by 10 states.

Government's authority to penalize corporations formed solely to accumulate profits and escape income surtaxes.

Lower court ruling that the Hobart Iron Co. (Duluth) must pay taxes on income from ore taken out of leased Minnesota state lands.

Appeal from decision invalidating part of Florida's Chain Store Tax Law.

Payroll Tax Figures

Ways of meeting Social Security requirements are shown at business machine preview.

AT Rockefeller Center, New York, eight business machine manufacturers this week gave a cross-sectional preview of the National Business Show which will run at the Port Authority Building, New York, from Oct. 19 to 24. As indicated at the smaller show, accent will definitely fall on various ways and means of handling the accounting, reporting, and payroll problems brought into being by the federal and state Social Security acts. In 1937 every employer within the meanings of the various acts will have to file one or more returns based upon his 1936 payroll.

Streamlining, of Course

The methods and machines developed to handle the payroll computation, compilation, and reporting will be found to be legion. More and more is electricity being called upon to supplement and relieve the flying digits of the machine operators. Perhaps to suggest speed and yet more speed to these operators, many designers are streamlining their offerings. The standard office green of yesterday's office equipment gives way to crystalline black on many offerings. Manufacturers generally seem wary of color in the office. Paramount among the trends is the swing to "office ensembles"—furniture, fixings, and machines all in harmonious design and color. And the friendly war between the 10- and 81-key computing machine men is going on quite as usual.





COOPERATING ON CO-OPS—Finland, which has gone a long way in perfecting consumers and producers cooperative societies, sent this group to America, to study our methods and to advise with local co-ops on Finnish results. From left: T. Arola, E. Alajok, Hugo Vasarla, Dr. Emil Hynninen, and J. W. Rangell.

Conflict Over Co-ops

U. S. Chamber of Commerce objects to any subsidy for them; Cooperative League demands government credit; Roosevelt's investigators are split.

A RETAILER . . . cannot complain against new forms of competition, so long as such competition remains on a fair and equal basis and contains no element of government subsidy."

Thus, last week, through its distribution committee, did the Chamber of Commerce of the United States make clear its position on the much-debated issue of consumer cooperatives.

A few days later, from Columbus, O., where representatives of consumer organizations boasting 3,000,000 members were attending the tenth biennial congress of the Cooperative League of the U. S. A., came an answer to the Chamber of Commerce study—a flat demand for federal loans to finance an extension of cooperative activity, particularly in the fields of housing and electrification. True, a demand for credit is not a demand for a subsidy, and there are many in the ranks of the cooperators who would protest such a demand as vigorously as the Chamber of Commerce, but the conflict in the points of view is pronounced.

Want Aid and Expect It

Cooperatives may disdain the direct obligation of outright subsidy, but they do want government aid and they are encouraged by the assistance they have already received, notably through the Rural Electrification Ad-

ministration, and by the expressed sympathy of President Roosevelt, Sec. Wallace, and others, to expect more of it. And they anticipate this greater liberality with the firm conviction of one who thinks he is entitled to it. In this connection cooperators point significantly to the generous attitude of the Reconstruction Finance Corp. and other government agencies toward private profit business.

Equally clear and emphatic is the opinion implicit in the chamber report that the cooperative movement has already received far too much consideration from government, both federal and local. The "patronage dividends" of cooperatives, which represent a division of the earnings that would represent profit in private enterprise, are generally exempt from taxation under both state and federal laws, though a Court of Appeals decision in the District of Columbia holding that such dividends were taxable, promises some hope of relief on this score. Again, Wisconsin recently enacted a law requiring the teaching of cooperation in all public schools.

Were it not for such moral and financial encouragement lent cooperatives by government, the chamber feels that private business would have nothing to fear from the movement. Despite the boasts made at Columbus of a \$400,-

000,000 annual business done cooperatively, only about \$150,000,000, according to the most reliable estimates, is transacted by *bona fide* retail societies. The balance is accounted for by the incidental sales of binder twine and other farm supplies which agricultural marketing co-ops make to farmer-members and by cooperative activities in such diverse fields as insurance, housing, and electrification. In other words, as an organized competitor of private business at retail, the cooperative movement accounts for less than one-half of 1% of total retail volume, and half of this is done in the gas and oil business.

Deny Co-op Economies

Furthermore, the chamber report contends that "consumer cooperatives have not yet conclusively demonstrated their ability to reduce costs of distribution and manufacture."

To this statement came answer from Columbus in the form of dozens of case studies laying proud claim to operating records unmatched by private competitors, chain or independent. Furthermore, cooperators contend that they have scarcely had a chance yet to demonstrate what they can do. Lack of adequate capital and of trained management has seriously handicapped them in effecting maximum economies, but both of these conditions, they contend, are being rapidly corrected. In this connection, they point to the recent formation of National Cooperatives, Inc. (with headquarters in Chicago), a central buying organization for several large wholesale co-ops, and to the impending big scale operations of Consumer Distribution Corp., an organization to finance and manage co-op department stores, sponsored by Edward A. Filene.

Filene's Big Boast

Mr. Filene, who announced that 90% of his income from Filene's department store in Boston was being devoted to the Twentieth Century Fund and Consumer Distribution Corp., told Columbus cooperators that their movement was "irresistible," that it would "transfer control of business to the consumers themselves . . . eliminate overhead waste . . . bring more and more buying power to the mass consumer at a time when the mass consumer must have more buying power else business cannot have a profitable market."

Fraught as the whole co-op question is with political dynamite, cooperators at Columbus felt it prudent to make clear that they agreed with the Chamber of Commerce on one important point—the preservation of private ownership of the economic system (if not private profits) as opposed to any form of communism or fascism.

Realizing the tremendous support which organized labor might render the movement and having before it a con-



A.N.A. IS IN THEIR HANDS—New officers and directors of the Association of National Advertisers get together just before the convention closes. From left, front row: Wilmot P. Rogers (California Packing Co.), vice-chairman; Paul B. West, president; Allan Brown (Bakelite Corp.), chairman; A. T. Preyer

(Vick Chemical Corp.), treasurer; G. C. Congdon (Jones & Laughlin), vice-chairman; Rear row: Harold B. Thomas (Captaur Co.), vice-chairman; Directors M. H. Leister (Sun Oil), Stuart Peabody (Borden Co.), Gordon Cole (Cannon Mills), Kenneth Laird (Weco Products).

crete example of just how effective such support was in the organization of a co-op in Racine, Wis., the Cooperative League passed a formal resolution urging "a close alliance between the cooperative movement and the trade union movement."

Having delivered one broadside each, both the chamber and the league now hold their fire pending the anticipated early report of the President's special investigating committee sent to study

European co-ops. It is reported that while the five members of the commission are in general agreement as to what they saw, they differ radically in their interpretation of those facts and in their recommendation as to what course should be pursued here—principally on the all-important question of federal aid. Hence, it is likely that each will report his own opinion and that there will be a sufficient variety to satisfy both chamber and league.

content and the evidences of real readership, which agent Walter E. Thwing offered at an open session, was enthusiastically received.

Continued emphasis on practicalities was evident through virtually all of the other open sessions—notably in A. C. Nielsen's exposition of the need for scientific market analysis (*BF*—Sept. 12 '36, p.30) and in Lee Bristol's "progress report" on the work of the Advertising Research Foundation—in copy testing, in perfecting a technique for appraising window-display effectiveness, and in developing with the aid of government bureaus a uniform definition of retail trading areas. Mr. Bristol tentatively suggested that the foundation might advisedly tackle next a compilation of the evidences of advertising's economic usefulness—a final, comprehensive answer to the detractors of the trade.

Even in touching upon the consumer problem a distinctly brass-tack attitude was maintained by Prof. James L. Palmer of the University of Chicago, whose exhaustive examination of the consumer cooperative problem led to the conclusion that the movement represented no real threat as long as business curbed false advertising, price-fixing, and other anti-social activities.

R-P Hit on All Sides

His arraignment of the Robinson-Patman law as a move in the wrong direction was seconded on a dozen different counts by a dozen different speakers, including Prof. Malcolm P. McNair of the Harvard School of Business and Prof. Raymond Moley, editor of *Today*.

In the eyes of a good many advertising interests represented at the convention, no more telling indictment of the R-P law could be made than that unwittingly effected by its principal author, Rep. Wright Patman, when he participated in the lengthy question-and-answer session which concluded the meeting.

Advertisers' Brass-Tack Meeting

Annual convention of A. N. A. puts emphasis on near-term practical problems. Increases in circulation and rates are regarded suspiciously.

THE Association of National Advertisers, whose members last year spent more than a third of a billion dollars for advertising, and this year will spend 15% more, has an infinite and wholly understandable capacity for worry. What the A. N. A. worries about, however, differs from year to year, sensitively reflecting the changing conditions with which the American distribution system must contend.

Last week at the Greenbrier Hotel in White Sulphur Springs, W. Va., 150 association members, solicitously attended by an equal number of advertising agents, publishers, and representatives of dozens of other services whose whole being depends on the flow of advertising revenue, met for their twenty-seventh annual worry session.

Old Stand-bys Deserted

The agenda were most distinguished by the absence of that perennial topic of dispute, advertising agency compensation, and by the fact that only a single-hour session was reserved for expressed concern over "the consumer problem,"

with side references to the state of advertising ethics.

In other words, as recovery nullifies the presumed urgency of reform—presumed, at least, in 1933 and '34—advertisers are concerned less with theoretical abstractions, more with the practical problems of how to make advertising dollars go farther. This accounts for the appreciable interest manifest in A. N. A. committee reports presented during closed sessions on copy testing, on the new Townsend method of evaluating the effectiveness of advertising before publication, on significant developments in newspaper, magazine, radio, and display fields, and most importantly, on the movement of advertising rates and publication circulations.

Last month alone, 38 magazines jumped rates, and advances have been quoted by more than 150 newspapers in the past year and a half. Circulation increases, cited as justification for these tactics, are suspiciously regarded by the A. N. A. as "forced." The strong advice that advertisers pay less attention to volume figures and more to editorial

They declared that his answers failed to disguise the shortcomings of the act as a legal instrument competent to regulate intelligently and fairly the complicated business of distribution.

Judged by their comments and questions, national advertisers generally applaud the intent of the law; they even admit that it has afforded a convenient

lever to unsaddle heavy buying pressure on price structures. But they resent the philosophy of government regulation on which it is founded, and they are genuinely afraid that its operation will not be restricted to the correction of known trade abuses but that it will on the contrary upset long-established trade practices of real economic merit.

ready been established by Keeshin Transcontinental Freight with the Baltimore & Ohio, the Chicago Great Western, and other lines.

The Pennsylvania, if it had been able to complete its plan to acquire Barker, would have been in a position to enter rail-truck-rail arrangements within its own system—with the possibility that it would tend to favor rail transport.

The commission also objected to the Pennsylvania's attempting to acquire Barker Motor Freight through a subsidiary holding company, instead of directly. The ICC denounced the dummy holding company as a practice which brings "law into disrepute." Counsel for the Pennsylvania expressed doubt whether its charter would permit it to acquire directly a motor truck company.

ICC Balks Rail-Truck Plans

Holds up Pennsylvania purchase of Barker Motor Freight, saying it will preserve highway competition. Examiner rejects Keeshin deal.

RAILROADS and motor truck lines this week had to revise ambitious schemes to conquer the highways on a national scale by means of mergers.

The Interstate Commerce Commission put a crimp in plans of the Pennsylvania Railroad and the Keeshin interests and at the same time laid down some fairly definite rules to indicate that the Motor Carrier act will curb the big as well as the little fellow.

The commission withheld approval of the acquisition by Pennsylvania of Barker Motor Freight, Inc., on the theory that the railroad should confine its highway efforts to routes auxiliary and supplementary to its own operations. The decision tends to prevent railroads from buying up motor truck and bus lines and then throttling competition.

But the Pennsylvania still has a chance to acquire Barker. Sixty days' grace was granted to allow the contracting parties to submit a plan confining the routes which would be absorbed by the Pennsylvania to contiguous territory. At the same time, the commission wants proof that the truck company has made arrangements to divest itself of operating rights in areas not adjacent to the railroad's operations.

Throughout the ICC decision there

was an undercurrent of apprehension lest railroads corral bus and truck lines by merger and then let them slowly die for want of proper exploitation. Bearing on this, the commission said:

"We are not convinced that the way to maintain for the future, healthful competition between rail and truck service is to give the railroads free opportunity to go into the kind of truck service which is strictly competitive with, rather than auxiliary to, their rail operations."

Question Railroad Motives

In the commission's judgment, truck service would not have developed as briskly as it has, had the railroads been in control. And the question is raised whether the carriers might not deliberately curtail truck service after having become dominant in a highway company's affairs.

The decision strikes at the Pennsylvania's program to greatly expand its motor truck services, and sets a precedent for the guidance of other railroads.

It should stimulate railroad-truck operating tie-ups. Since railroads cannot go beyond their immediate territory in acquiring truck routes, they are apt to make compacts with independent truckers. Such rail-truck-rail tie-ups have al-

Keeshin-Seaboard Deal Hit

Edward L. Davey, chief of the finance division of the Bureau of Motor Carriers, threw the monkey wrench into plans of Keeshin to take over Seaboard Freight Lines, Inc., and subsidiaries for \$350,000. Such a merger would give Keeshin a strong position in the New England motor truck field (BW—Jun 20 '36, p20).

In his report, Mr. Davey said the Keeshin program would undoubtedly be a constructive step in the development of motor trucking throughout the country, but he objected to the financial arrangements. "It does not appear," he said, "that the price is justified."

Interlocking interests were the stumbling block. Seaboard is controlled by Motor Carriers, Inc., which in turn is owned by Lehman Brothers, banking house. The Lehman firm is banker for Keeshin and simultaneously holds a 40% stock interest in the trucking company.

Now, if Keeshin still wants to gain an entry into New England, it is logical to expect that some other plan of acquisition will be worked out—on the assumption that the ICC will accept Mr. Davey's recommendations.

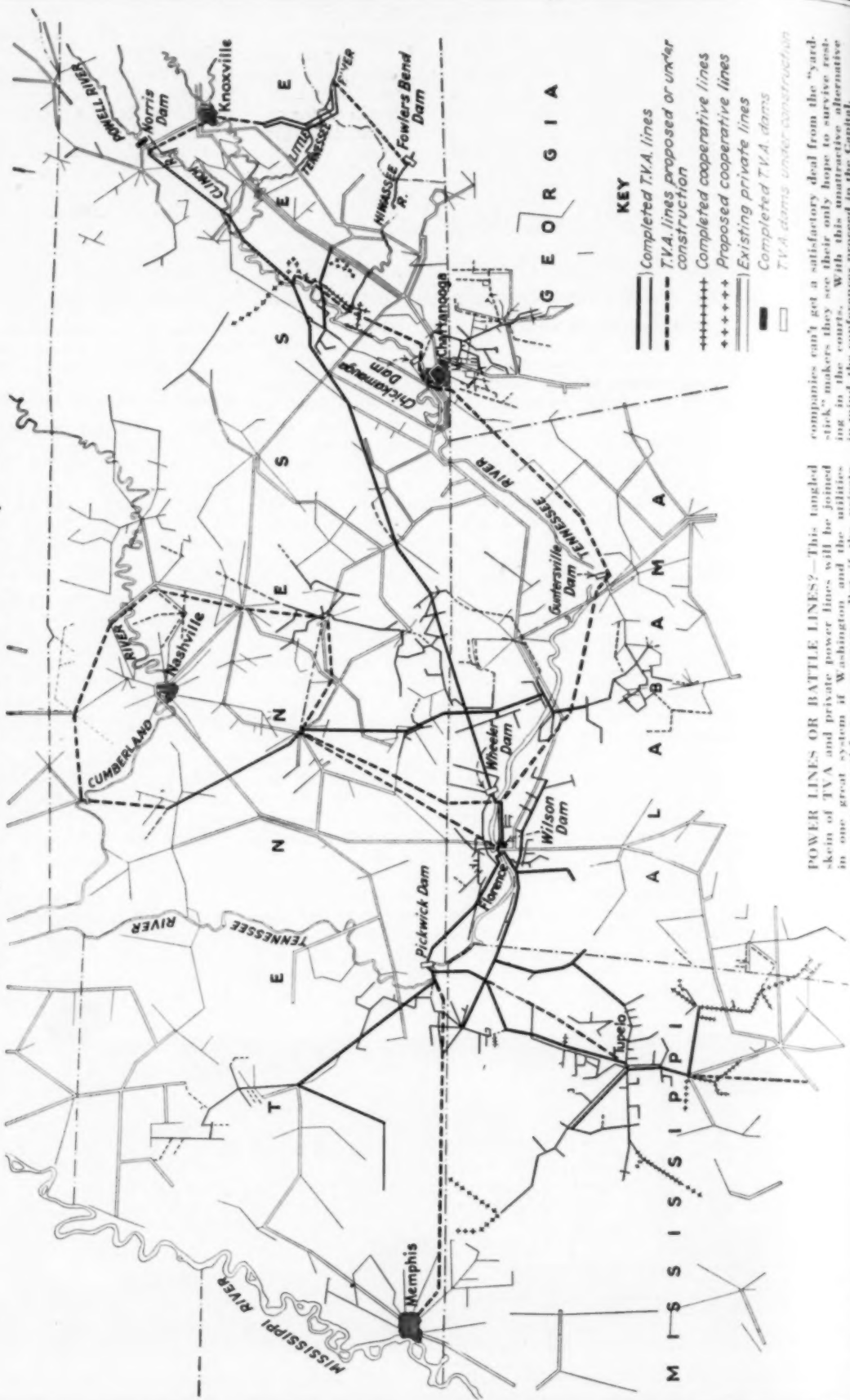


COAL GOES WHITE COLLAR—Pre-tested in Detroit, Chicago, Portland, Me., and other cities, package coal is being introduced in New York. Degraded coal, or slack, is compressed in 10- or

15-lb. packages, delivered in white-enameled trucks, stacked on laths for hand delivery to the furnace. Price, about that of loose coke.

Business Week

The Proposed Tennessee Valley "Grid"

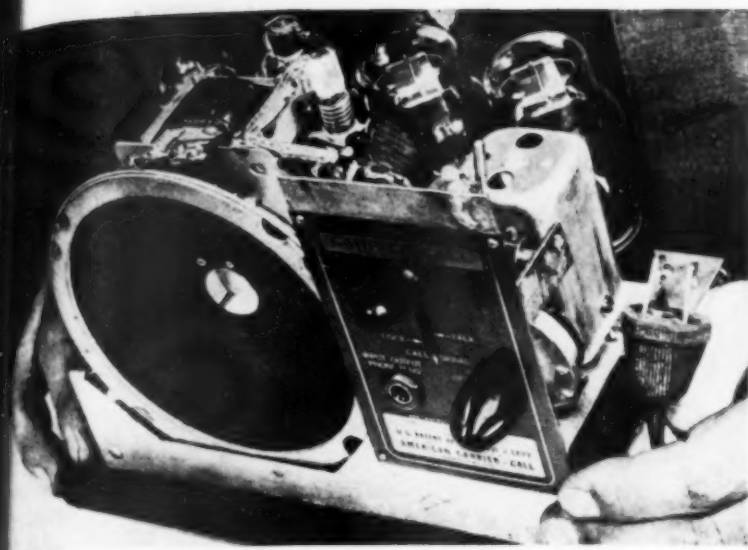


POWER LINES OR BATTLE LINES?—This tangled skein of TVA and private power lines will be joined in one great system if Washington and the utilities agree on a satisfactory program. But if the private

companies can't get a satisfactory deal from the "yardstick" makers they see their only hope to survive resting in the courts. With this unattractive alternative in mind, the conference proceed in the Capital.

companies can't get a satisfactory deal from the "yardstick" makers they see their only hope to survive resting in the courts. With this in mind, the conference proceed in the Capitol.

POWER LINES OR BATTLE LINES?—This tangled skein of TVA and private power lines will be joined in one great system if Washington and the utilities agree on a satisfactory program. But if the private



PLUG IN, TALK—A new radio-like device designed by Sol J. Levy, radio engineer, and sponsored by American Carrier-Call Corp., permits two-way interoffice communication over the electric light circuit. Plug in two devices, one at either end; tune and talk. Four radio tubes and a small electro-dynamic loudspeaker do the trick.

How Real Is TVA Olive Branch?

Skeptics suspect the truce between government and utilities is only a pre-election maneuver. Ickes' loan to Memphis causes talk.

PEACE negotiations between the public utilities and the government in the Tennessee Valley have been put off until after election. Meanwhile only an armistice is in force, leaving the skeptics with a lot of questions such as these:

Is the government's olive branch real or just a bid for votes of utility stockholders?

If the truce has no strings attached, why is Public Works Administration going ahead with municipal power plant grants in the TVA area?

Are the utilities as optimistic as they sound, or are they talking bravely to avoid prejudicing their own cause?

Toes Safe for Three Months

For, in the many news stories passed along to the public, only a few facts stand out. Among the most important is the new standstill agreement between TVA and Commonwealth & Southern Corp., largest of the utility companies involved. The old contract was that neither party would step on the other's toes until completion of Norris Dam. That deal expires, due notice having been given, next month. The standstill revivifies it for three months.

As to the permanent peace, a peace which would see TVA and the private companies pooling their power and their lines, the only tangible development is the statement of Federal Power Commission Chairman Frank R. McNinch

that data are being gathered and that negotiations will be resumed after elections.

And there is one large and healthy fly in the ointment. Interior Secretary Harold L. Ickes, in his rôle as PWA administrator, has approved \$3,092,000 for the city of Memphis to construct an electric power distribution system.

That, of course, is not TVA activity. Moreover, it is Memphis Light & Power, an Electric Bond & Share company, which serves Memphis, so it doesn't violate the standstill agreement with Commonwealth & Southern. But the backstage question asked by utility executives is: "Why doesn't the left hand know what the right hand is doing?"

At a press conference this week Sec. Ickes commented briefly on the PWA grant to Memphis, saying that work on the project would not be held up by the litigation surrounding the federal aid. He pointed out that the city has voted bonds for the project and will not attempt to collect the PWA money until attempts to enjoin its payment have gone their way through the courts.

Similar litigation seeking to block many TVA activities still crowds the courts. Most important is the plea for a temporary injunction by 19 private companies, to halt all TVA activity until the earlier plea for a permanent injunction had been carried to the Supreme Court.



Post-Insull Merger

Two companies in Chicago district plan consolidation.

FORMATION of the second largest utility company operating in a single urban area would result from the consummation of current plans for the consolidation of two units in the Chicago district. Conversations have been resumed, after a lapse of three years, looking toward merger of Commonwealth Edison Co. (cornerstone of the former Insull utility empire) and the Public Service Co. of Northern Illinois, which was another Insull company.

Revival of merger negotiations has resulted in sharp rise in the shares of the two companies, because of expectation that substantial economies would be effected through operation under a single management, although physical consolidation is not expected at once even if the assets should be combined in one corporate structure.

Punitive provisions of the securities act of 1933 were responsible for the severance of merger negotiations three years ago, but federal restrictions at the present time, it is said, would not constitute a stumbling block.

Hurdles Ahead

There are several hurdles to be cleared before consolidation of the \$675,000,000 assets controlled by the two companies can be effected. In addition to obtaining consent of the requisite percentage of stockholders, it will be necessary to obtain authorization for the step from the Illinois Commerce Commission.

Edison owns 34% of the Public Service voting stock and thus would have a head start in obtaining consent of the necessary portion. Should Edison stock be issued to holders of Public Service in an exchange of shares, it would be necessary for Edison stockholders also to vote their approval of an increase in the issue.

Whereas the merger was obstructed three years ago by a federal law, proposals for consolidation are stimulated now by another federal act. Combination of the systems in one corporation would result in substantial savings in direct and indirect taxes.

First in Powering the Farms

Michigan utilities, without any subsidy, lead all other states in rural electrification since '30. Detroit Edison applies new methods.

WITHOUT a penny of state or federal subsidy, Michigan utility companies, led by the Detroit Edison Co. and encouraged by the Michigan Public Utilities Commission, have been carrying on a rural electrification program which puts Michigan first among all the states in the number of farms electrified since 1930. There now are over 12,000 miles of farm lines serving more than 50,000 farm customers, with 15,000 additional farms being electrified this year. Total investment of utility companies in this program is about \$40,000,000.

The "Michigan Plan" grew out of a formula devised by Detroit Edison for extending rural electric service. Where five customers can be secured per mile of line, the line is built without cost to the farmers. The base price charged for farm lines is \$500 per mile (although the actual capital outlay is around \$1,100) with each of the five farmers given credit for \$100. If there are only three farmers per mile, they are credited with \$300 and must pay in the extra \$200.

Lowering Construction Costs

Detroit Edison has developed a new type of line costing \$1,100 compared with the former expense of \$2,000. It consists of aluminum wire with a steel core (adopted because of its higher tensile strength per pound of weight), with spans between poles of 400 ft., or twice the usual distance. That cuts in half the number of poles required. Lines are built on the farmer's land back from the highway, decreasing costs by permitting straight routes and by using shorter and cheaper poles. A major item of expense for poles along a highway is tree trimming, which runs as high as \$400 per mile.

After electricity is provided, the next thing is to make the rate attractive so that power will be used fully. Detroit Edison regards its eastern Michigan territory as an integral economic unit, with urban and rural prosperity



TAPPING A BIG MARKET—Back of the huge power plants lies a big potential demand—the great rural market, which is only

partly electrified. These linemen are at work out in the country, tying in another customer for farm service.

interlocked. It looks upon a farm as a residence, similar to a city home, plus a commercial establishment. Hence grouping of both farm and city customers into an identical rate class seems justified. The company also is mindful of the roars of protest of customers located along boundaries separating rate classes. Farmers, therefore, get the same rate as city folks.

To bring up the power consumption on farms is the job of Detroit Edison's farm service division of the sales department. Here come into play such cooperative agencies as the Michigan Public Utilities Commission, Michigan State Agricultural College, farmers' organizations, hardware and farm implement dealers. The company has divided its territory into 10 districts, each of which is a representative to contact individual farmers and promote use of electricity (it is estimated there are 30 household tasks performed by electricity, 100 farm jobs). A "Farm Bulletin" describing electrical devices is sent to farmers, displays are held at county fairs, demonstrations are made with the help of leading farmers. When new lines are constructed, the company notifies dealers and electric wiring contractors well in advance so that they can organize sales campaigns.

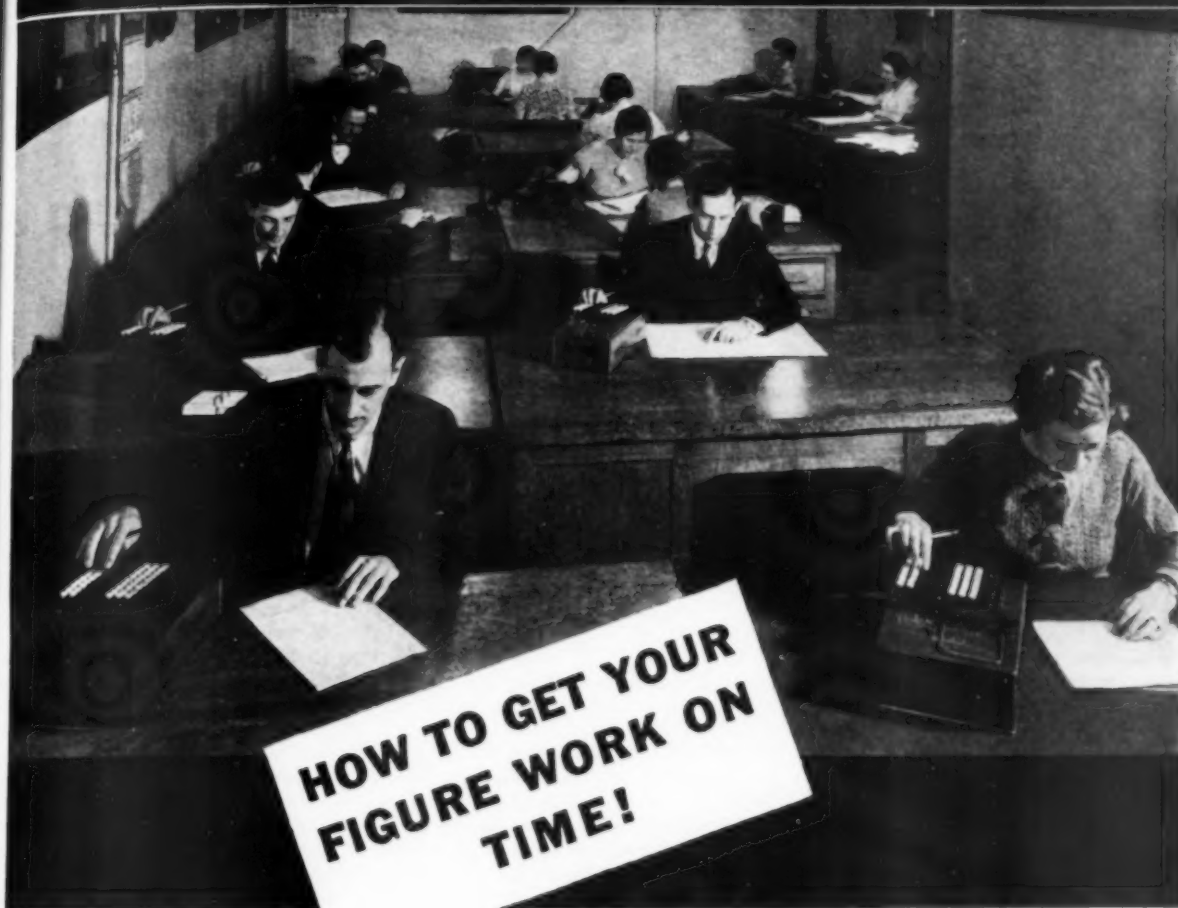
Education in Usage

Detroit Edison is teaching the farmer to improve his product and to make more money by using electricity. It is pointing out to him, for instance, how he can save money (and spread out the power load) by doing a specified job powered with a small motor in six hours instead of in two hours with a larger motor, which then is idle for hours. Thus it is helping him to buy and use electric appliances intelligently.

In 1929 Detroit Edison's eastern Michigan division was supplying electricity to 42.3% of the 25,000 farms in its territory; today 88.1% of the farms are electrified. Macomb County (northeast of Detroit), is said to have the highest percentage of farm electrification (95.2%) in the United States. Washtenaw County (Ann Arbor) is a close second. Last year Detroit Edison acquired its Lake Huron division from Michigan Electric Power



PAYROLLS CAN'T WAIT...



**HOW TO GET YOUR
FIGURE WORK ON
TIME!**

A leading Ohio steel manufacturer will have October payroll figures on file by November 3rd.

Unusual? Not at all. "Comptometer" makes it a routine performance, twelve months a year. Moreover:

Earnings of individual employees are compiled for 15-day periods. Daily distribution of labor is calculated. Labor costs are computed by departments. Indirect expenses are distributed by departments.

Twenty-five light-action "Comptometers" (Model J, easily portable from desk to desk) are used by the Payroll Department. Suggestions

made by "Comptometer" representative, concerning application of machines to specific figure-work problems, proved tremendously helpful.

The complete satisfaction expressed by this "Comptometer" user is typical. In view of recent Social Security legislation, the extreme flexibility of the "Comptometer" makes it invaluable to hundreds of concerns . . . large and small.

If speed, accuracy, and economy in handling figure work are essential to the efficient conduct of your business, telephone the

"Comptometer" office in your locality. Or write direct to Felt & Tarrant Mfg. Co., 1733 N. Paulina Street, Chicago, Illinois.



COMPTOMETER

Reg. U. S. Pat. Off.

A Time-Tested Plan SAVES MONEY FOR YOU Today



MUTUAL fire insurance is not new. It is, in fact, older than any other form of insurance, yet its soundness and economy are attracting thousands of new policyholders.

The aim of Mutual fire insurance is to reduce the cost of the insurance by reducing the losses. This result is brought about by care in selecting risks and by active and intelligent fire prevention work. The saving resulting from these measures is passed on to the policyholders.

Seventy-five selected leaders make up the membership of the Federation of Mutual Fire Insurance Companies. They have returned over \$135,000,000 to policyholders as savings, in the past ten years. Write for the booklet "Mutual Fire Insurance." Address the Federation of Mutual Fire Insurance Companies, 919 North Michigan Avenue, Chicago, Illinois.

MUTUAL FIRE INSURANCE

An American Institution



This seal identifies a member company of The Federation of Mutual Fire Insurance

Companies and the American Mutual Alliance. It is a symbol of soundness and stability



FACTS WANTED—William E. McFee of the American Rolling Mill Co., newly elected president of the National Industrial Advertisers Association, outlines the plan approved at the group's recent Philadelphia convention for a broad trade study, financed if possible with federal aid, to accumulate facts for an "Industrial Market Data Handbook."

Co., with only 2,152 out of 16,696 farms getting electric service. It already has added 675 miles of new farm lines, and expects to bring up the percentage to a high point as quickly as possible.

Utility companies around the country aren't all as able to carry on electrification at such a swift pace as Detroit Edison, which has an unusually compact area with relatively dense farm population. Towns and cities served are close together, and intercity lines along trunk highways can be tapped by branch lines leading to farms up little-traveled roads. Other Michigan utility companies have adopted the Michigan Plan with the same construction charges as Detroit Edison. Consumers Power Co., however, exacts a minimum charge of \$12 a year where there are five farms per mile, or \$60 per mile, to meet maintenance costs. If there are less than five farms per mile, each farm is charged its share of the \$60. Because of their farther-flung territories, some utility companies cannot proceed so rapidly with farm electrification as Detroit Edison.

Lower Rates Pay Out

Rural electrification at city rates is not yet profitable. There are some skeptics who think it never will be. Yet future power possibilities, which are several times larger than those in the average city home when the farmer makes full use of electricity, appear to justify utility investments under the Michigan Plan. One of the toughest tasks, says Detroit Edison, is to prove to the individual farmer that his income

can be increased through intelligent use of electricity for the growing, preservation, and distribution of quality products commanding better prices.

Big Loans for Housing

Money is plentiful, says Building and Loan League, rapping federal lending program.

TALK of mortgage money scarcity was pooh-poohed as the United States Building and Loan League met in its 44th annual convention in New York this week. State by state the executive council heard reports and, adding them up, declared that the savings and loaners have been putting out home construction loans at the rate of \$95,000,000 a month for the last six months.

This pointed to a record far in excess of last year's \$641,540,000 and documented the league's demand for an end to the federal government's emergency home loan program. The necessity for such aid, if it ever existed, has passed, said the committee on Federal Housing Administration.

Concerning federal charters for savings and loan associations and government insurance of invested savings up to \$5,000, the committee indicated that member associations would have to judge the fitness for themselves. But it did point out the possibility of bureaucratic control over interest rates and loan plans, the inflexibility which might ensue. And it asked more lenient rules by which an association may drop a federal charter once one has been taken out.

Extension of FHA's Title II beyond 1937 was strongly opposed, and RFC purchase of mortgages attacked as virtually direct government lending in competition with private mortgage companies. Moreover, members were told that their participation in writing FHA mortgages has many pitfalls.

To start with, constitutionality of FHA is under fire and the $\frac{1}{2}\%$ loading charge to pay the insurance would go with it on an adverse decision. Members were urged to write the contracts so that they will get that fraction as a backlog against bad loans if they go ahead with mortgages as liberal as FHA allows. Harmful housing administration publicity was attacked (the committee contends FHA interest is as high as 6.4% rather than 5% as advertised). Extensive forms and red tape in making FHA loans were stressed as handicaps.

These precautionary admonitions on FHA dovetailed with the executive council's declaration that the end of the foreclosure phase of the real estate cycle has come and that the private lender is increasingly prominent in the residential field.

ugh intelligent
the growing
ution of qual-
g better prices

Housing

says Build-
ue, rapping
ogram.

y scarcity was
United States
ue met in its
New York
he executive
adding them
ings and loan-
at home con-
of \$95,000,
six months.
far in excess
00 and docu-
d for an end
's emergency
necessity for
has passed,
eral Housing

ters for sav-
and govern-
l savings up
indicated that
ld have to
selves. But
possibility of
interest rates
bility which
d more leni-
eriation may
ne has been

e II beyond
, and RFC
ed as virtu-
ing in com-
gage com-
s were told
iting FHA

onality of
% loading
would go
on. Mem-
e contracts
action as a
if they go
al as FHA
administra-
(the com-
is as high
advertised).
e in mak-
as handi-

nitions on
executive
e end of
real estate
e private
nt in the

SS WEEK



MAN WITH A *Memo book* ABOARD

Mem. Never occurred to me before what tremendous strength must be required in the inside structure of those huge wings. They tell me the inside looks like a honeycomb of Aluminum beams and such. Never realized Aluminum was so strong. Knew it was light.

Mem. Asked the co-pilot about the motors. Said they were nearly all Aluminum, too. Not only because Aluminum is light. Seems that the extra heat conductivity of Aluminum makes the motor more efficient. Said I ought to look, sometime, at all the wonderful Aluminum castings and forgings in the engines.

Mem. No paint on the exterior of this ship! Looks great, in spite of all the weather it's been through. So that's what they mean when they say Aluminum is resistant to corrosion!

Mem. Thought I'd make a list of all the things in the ship made of Aluminum. Started with chairs. Discovered the list would have to include practically everything aboard. No wonder they talk about versatility. Beauty, too.

Mem. Look into this business of Aluminum when I get home.

In this organization you will find the "know-how" which will help you to utilize the fullest advantages of Alcoa Aluminum Alloys in your product. An airplane is just mass-in-motion. So is every moving or mobile part of simple or complex machines. The lightness and strength of Alcoa Aluminum has made the airplane of today. It can make your product better, too. Our engineers are at your service. Aluminum Company of America, 2104 Gulf Bldg., Pittsburgh, Pa.



ALCOA · ALUMINUM

Auto Firms Will Make Trailers

Nash and others get into the business. Expect production of 200,000 next year, but opinions differ on long-range prospects.

COACH trailer makers, taking stock of their amazing progress this year, say that their output in '36 will total some 60,000 units, with prospects of a jump to 200,000 or more next year. The huge increase will be possible because automobile companies, with substantial resources, are getting into the business. Nash Motors and a prominent truck builder are to make trailers, taking their place alongside Pierce-Arrow, Hayes Body, and Federal Motor Truck.

Probably the most spectacular plans yet revealed are those of the Edwards Home-mobile Co., South Bend, Ind., to fabricate steel coach trailers and ship them knocked down to branch assembly plants around the country. The management expects to start production this month and will soon get up to an output of 10,000 units a month.

While trailer companies are doubling and tripling capacities, plans are under way for automobile finance companies to finance the wholesaling and retailing of trailers, thereby opening up wider markets. Already some trailer makers have 6% finance plans in operation, similar to those of automobile companies. The newly-formed Trailer Coach Manufacturers Association is starting a survey to find out how many

companies are in the industry and to enlist their support.

Amid the loud huzzahs regarding the apparently limitless market opening up for trailers, some trailer companies remain unconvinced. One executive declares: "We do not believe the trailer business will be a very large industry. In a few years at best it will settle down to a normal operation." Another company observes that the saturation point is likely to be reached long before many manufacturers expect. A third company believes the trailer business will never rival in size the automobile industry, but will provide a good volume for a limited number of builders.

Age 40 to 50, Best Customers

Trailer companies report that trailers are being sold to three classes of buyers: those who have retired or have enough money to travel about most of the time, those who want them for vacation trips, and those who use them for commercial purposes. More than one company says that almost half its sales are to people retiring from business. The average age of the trailer buyer is 40-50 and up. Most companies assert that trailers are being employed at least half the time by owners and almost continuously by

some. A large group of itinerant workers or people of the gypsy class roam around the country in home-built trailers or those made by cheap local alley shops.

Commercial uses for trailers are growing. Salesmen traveling among small towns find them convenient. They become display rooms, broadcasting units, ticket wagons, stores, photographic studios, offices.

Trailers are being sold through automobile dealers, independent dealers and direct factory representatives. Several important trailer companies get 60-75% of their distribution through automobile dealers. Some are striking out to get dealers who will devote all their time to trailer selling. Companies specializing in ritzy custom-built coach trailers usually rely on their own field representatives.

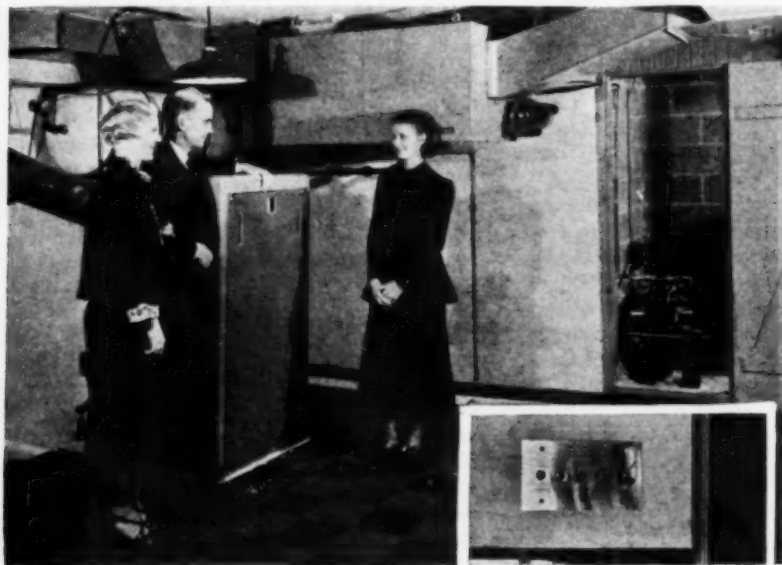
Covered Wagon Co., claiming to be the biggest trailer manufacturer, has 76 distributors in this country, the majority of whom have 20 to 57 dealers working for them. It expects to have 2,500 dealers in the United States within six months. It also has distributors in five foreign countries.

Trailer companies anticipate attempts by cities and states to pass restrictive legislation controlling trailers, and intimate that some of it will be backed by hotel interests which will suffer from expanding use of trailers. Laws probably will be passed regulating brakes, sanitary conditions, parking, and general safety. Most reputable trailer makers have provided adequate safety devices and won't oppose reasonable legislation to bring competitors into line. They are ready, however, to battle unfair measures imposed on trailer use on highways or in camps, and believe they will have the help of automobile companies in fighting such efforts. They also are convinced that there already are too many people owning trailers for punitive legislation to be successful. Owners would be on the necks of legislators immediately.

Trailers Take to Steel

Most trailers have been built of wood, but 1937 will see many manufacturers adopting all-steel construction. Gradual standardization of some parts is expected to open a new field for parts manufacturers in the trailer industry. In the design of their products, automobile manufacturers haven't yet given cognizance to new problems which may arise as a result of hauling a trailer, but automotive engineers are studying the situation. The Society of Automotive Engineers is studying recommendations for a standard hitch which will permit interchangeability of a trailer from one car to another.

Greatest handicap today to trailer use is lack of good parks around the country where trailerites may stop. This is



READY TO GO—With 76 homes completed in 18 districts throughout the United States (40 of them in and around Detroit), Kelvinator is all set for an aggressive campaign to sell its year-round, air-conditioned homes in the under-\$10,000 market. Plans were completed last spring (BW—May 16 '36, p. 16). The Kelvin homes (appearance varied by exterior treatment) are built to sell for around \$7,000, exclusive of lot and garage, and a big part of the home is the Kelvinator Package, which includes air-conditioning unit (ceiling, above), boiler burner (left, above), refrigeration unit (small room, right above), refrigerator, electric cooking stove, and easy controls (panel switch, inset above). The \$1,500 package is included in the price of the house.

"MY DAD WANTS A POUND OF NAILS"

JUST a few cents' worth of nails . . .

It may not sound like a very big sale. Yet that young man is mighty important to the steel industry. For he is a hardware customer. And a modern hardware store sells a thousand and one things made of steel that are vital to everyday life.

Of course not every hardware merchant can carry in stock an unlimited supply of each item, else he would need a store as big as a warehouse. Fortunately this isn't necessary. If the stock runs low, replenishments are promptly available from the wholesaler who has a warehouse containing about 19,000 different items ready for quick delivery.

And that is why you can enter almost any hardware store and be sure of finding just the size of nails, or the right weight of hammer or the very type of saw that you want.

In the same way, on steel products other than hardware, there are other jobbers and distributors who render the same kind of prompt, efficient service. For

instance, does the tinsmith need a coated steel sheet to repair a leaky roof? Does the plumber need some pipe for a bathroom, or the electrician some cable for wiring a house? He gets these from a distributor. Does the contractor need some steel beams for a building? He buys these from a distributor.

Those distributors are really "department stores of steel." They buy by the ton and sell in any quantity, but usually

a small one—to thousands of individuals and businesses. The total share of the steel output which these distributors account for is a large one. They render an indispensable service. Without it business in general and that of United States Steel in particular would be seriously hampered. The entire facilities of United States Steel—production, research, prompt delivery—are devoted to maintaining this service at a high level.

AMERICAN BRIDGE COMPANY • AMERICAN STEEL & WIRE COMPANY • CANADIAN BRIDGE COMPANY, LTD. • CARNEGIE-ILLINOIS STEEL CORPORATION • COLUMBIA STEEL COMPANY • CYCLONE FENCE COMPANY • FEDERAL SHIPBUILDING AND DRY DOCK COMPANY • NATIONAL TUBE COMPANY • OIL WELL SUPPLY COMPANY • SCULLY STEEL PRODUCTS COMPANY • TENNESSEE COAL, IRON & RAILROAD COMPANY • UNIVERSAL ATLAS CEMENT COMPANY
United States Steel Corporation Subsidiaries



UNITED STATES STEEL



There No

PUTTING TWO OVERCOATS ON STEEL is the function of this huge Robertson felting machine, a step in the production of Robertson Protected Metal. First a coating of special asphalt, then an envelope of saturated asbestos felt. The rolls in the foreground consist of hundreds of yards of felt. How best to process the asphalts applied here, how best to make asphalt and felt stick permanently to steel, how to finish R. P. M. off with a special enduring surface, are but a few of the things the H. H. Robertson Company knows how to do today, thanks to thirty years of learning how.

The knowledge and experience gained in the development of the roofing asphalts used in Robertson Protected Metal, have resulted in the perfection by this Company of hundreds of other special asphalts for use in every field. If asphalt is any part of your manufacturing problem, our accumulated knowledge and our independent research and development laboratories are at your service. Perhaps you do not now use asphalt in making your product . . . but might do so if you could find the right one. Or perhaps you already use an asphalt but would like to know definitely whether your product quality can be improved or your production costs lowered. The H. H. Robertson Company welcomes your inquiries.

There's No Short Cut To Experience

THIRTY years ago we had a new idea for making roofing. We took a steel sheet, covered it with asbestos felt and asphalt, corrugated the result, and called it Robertson Protected Metal.

And we patented our idea.

But Robertson Protected Metal today represents more than a patented process.

It represents thirty years of applying that original idea of ours to the varied needs of industry.

It represents constant study of atmospheric, climatic and industrial conditions in almost every country of the world.

It represents years of laboratory and field research to discover the secret of processing asphalts that can resist the destructive effects of a roofing's enemies... fumes, corrosion, wind erosion, chemicals, humidity and salt air.

And it represents all we have found out about how to mold felt, asphalt and steel into a permanent, enduring roof which costs less per year of service than any other industrial roof you can buy.

Many of the things we have learned

through long experience are as important to the creation of a fool-proof roofing material as our original idea itself.

That's why no manufacturer, without our experience, can cover steel with felt and asphalt today, and say truthfully that it is the same as Robertson Protected Metal.

There is no short cut to experience.

If you are interested in an industrial building project of any kind, write for a free copy of our brochure "Roofs Over Industry." It explains fully the advantages of Robertson Protected Metal, and depicts in dramatic photographs the care, science and knowledge which go into its making.

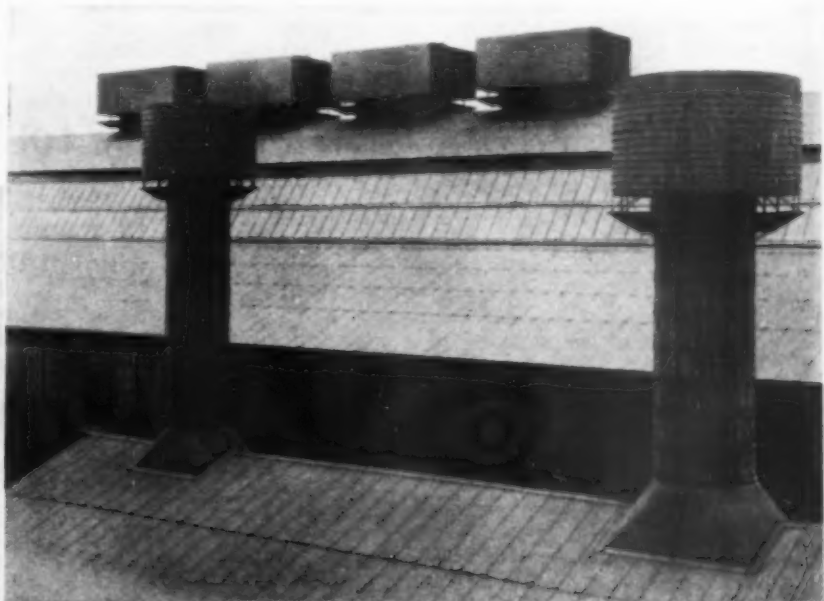
H. H. ROBERTSON COMPANY

2807 GRANT BUILDING : : : PITTSBURGH, PA.

...ing heat of the tropics, in the bitter cold of the far north, Robertson Protected Metal roofs and ventilators like these are supplying service to manufacturers. Whether your problem is humidity, salt air, chemicals, wind erosion or fumes, it will pay you to get the advantages offered by Robertson Protected Metal.



THIS COMPLETE PROTECTION of the metal core is what has made Robertson Protected Metal world famous as a material for the roofs and sidewalls of industrial buildings.



ROBERTSON *Protected* METAL

being remedied rapidly, however, by establishment of parking facilities by cities and states. On the other hand, authorities are demanding that some semblance of order and beauty be maintained in these parks.

Famed automotive designer William B. Stout, who has designed a "highway home" which is moved about as a trailer but unfolds into a three or four room cottage when parked, thinks the trailer industry is about to enter a third phase which he calls "engineered shelter." The first stage was creation of a touring vehicle. Then a change was made to a camping vehicle and now camping vehicles are being transformed into highway homes. This means that trailers will get bigger and better in the next few years.

Banker Sits on Cash

Hater of New Deal pays money to keep funds away from Federal Reserve Bank of Chicago.

J. M. (100%) NICHOLS, president and principal stockholder of the First National Bank of Englewood, Chicago, now sits on a two and one-half million dollar hoard of cash—and let the New Deal lump it!

This neighborhood banker has withdrawn everything but required reserves from the Federal Reserve Bank of Chicago. This is the one hundred percent's response to the action of the Reserve Board in boosting reserve requirements.

Mr. Nichols thinks that the reserve boost gives the politician more of the public's money to play around with. By getting out what he could, however, Mr. Nichols intends to hold on to his and his depositors' money. He has rented two deposit boxes to cache his hoard. The Reserve Bank would have held it for Mr. Nichols without charge.

How It All Began

The Nichols self-assertion campaign goes back to Mar. 31, 1933, just after the banks were reopened. He issued a statement of condition, when no national bank call had gone out. He said: "Published by direction of a clear conscience." Since that time, the Englewood institution has made it a practice to have trivial facetiae on its statements.

The deposits of the bank have been dropping, much to Banker Nichols' satisfaction. He has offered a pencil to each small depositor who withdrew his account—in contrast to institutions which give premiums to new depositors. In February, 1934, Mr. Nichols told depositors that the bank reserved the right to pay off deposits with government securities. He wrote:

"In the 44 years we have been in business, we feel that our stockholders

STATEMENT OF CONDITION

At the Close of Business September 30, 1936

LIQUID ASSETS

3½% U. S. Treasury Bonds due 1941-43.....	\$ 2,800,000.00	48.22%
Cash on Hand and Stored in Vaults.....	2,933,671.01	43.63%
Due from Federal Reserve Bank.....	639,741.27	11.02%
Due from Correspondent Bank.....	36,031.78	.62%
Accrued Interest on Government Bonds.....	4,297.50	.07%
Total of Liquid Assets	\$ 6,013,745.56	103.56%

NON-LIQUID ASSETS

First Mortgage Real Estate Loans.....	\$ 567,775.00
Other Real Estate Owned.....	220,053.31
Interest Earned but Not Collected.....	7,719.89
Bank Building, Land, Furniture and Fixtures.....	10.00
Stock in First National of Englewood Safe Deposit Co.....	1.00
Stock in Federal Reserve Bank.....	.10
Total of Non-Liquid Assets	\$ 795,559.34

\$6,809,304.90

LIABILITIES

Capital.....	\$ 200,000.00
Surplus.....	600,000.00
Undivided Profits.....	173,841.78
Reserve for Taxes.....	19,000.00
Reserve for Interest.....	10,000.00
Deposits.....	\$ 5,806,463.32

\$6,809,304.90

Member Federal Deposit Insurance Corporation

A Blot on Our Statement

JUST A SAMPLE—The neatly itemized statement of the Bank of Englewood, with a red splotch at the bottom, is only one of 100% Nichols' ways of calling attention to his views on the FDIC. On other pieces of the bank's releases appear such remarks under the FDIC line, as "Politics and More Politics," and "Conceived by the Politician—Operated by the Politician—Paid for by the Depositor."

have sacrificed enough in point of earnings that the depositors might be fully protected. And they do not feel justified in guaranteeing the future price of government securities."

It is a further sacrifice, of course, to pay money for safe deposit vaults; and

a still further sacrifice to hoard the money when it might be invested in short-term obligations of one sort or another, or deposited on time in other banks. But Mr. Nichols would prefer to keep the cash and let other people's credit go.

A Way to Use Whisky Receipts

Investment bankers think they have solved the problem in a manner that will be valuable to customers and will jolt the gold-brick salesmen.

ENTERPRISING investment bankers have hit upon what looks to them like the solution of the knotty problems presented by the whisky warehouse receipt. Moreover, they believe they have trimmed the wings of fly-by-night salesmen promising fabulous profits, have found a neat financing vehicle for the distillers, and have surmounted vexing difficulties arising from a welter of state rulings.

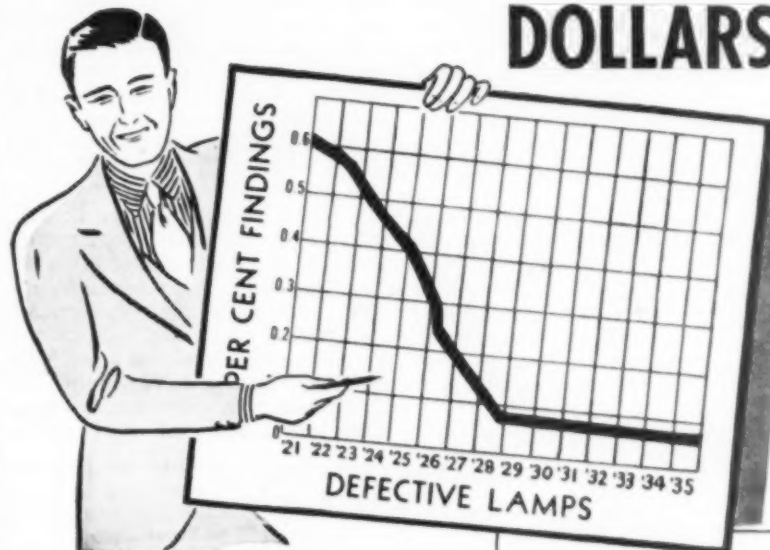
They still rely on the orthodox receipt secured by whisky in bonded warehouses, but not by selling such receipts directly to the public. The latest wrinkle is to pool these receipts, which represent actual ownership of barreled

whisky in warehouses, under a trust. Then collateral trust notes are issued and these can be bought by institutions or the public without undue worry about going into the liquor business involuntarily.

Behind this new type of security is a history as old as the liquor business. The distiller who has produced a lot of whisky puts it in a warehouse to age. It won't be ready for the market for four years or more, and the producer's cash is tied up. So warehouse receipts are sold, more whisky manufactured, more receipts sold, and so on 'round and 'round.

It's all ancient and honorable—that

A glance at this chart MAY SAVE YOU LIGHTING DOLLARS!



● **FREEDOM FROM DEFECTS**—Tests on over 10,000,000 lamps have revealed that less than 1/10th of 1% of Edison MAZDA lamps have defects that affect their performance in service. The chart shows how research and the precision methods of manufacture have almost completely eliminated, from lamps made by G.E., defects that affect their performance in service.

Light-Sensitive Cell



G-E LIGHT METER

● Every business executive should have a G-E Light Meter. It measures lighting just as simply as a thermometer measures temperature... and indicates whether your lighting is up to modern safe-seeing standards. Small, handy, compact, the Light Meter is ruggedly made and costs only \$11.50.

THE TRUE COST of light is the cost of electricity as well as the cost of the lamps. When you buy lamps, it is well to remember you are also signing up for the current these lamps will use during their life. Repeated scientific tests by recognized laboratories show that many poor quality lamps are as much as 30% less efficient than Edison MAZDA lamps. This means that many an inferior lamp marked 100 watts actually produces less light than a 75-watt MAZDA lamp. You couldn't afford to use some of these lamps even if you got them free and each one came wrapped in a dollar bill. Even though present day electric rates are lowest in history, there is no use paying for wasted current.

Next time you buy lamps, get your money's worth by asking for Edison MAZDA lamps. They Stay Brighter Longer and don't waste current. General Electric Company, Nela Park, Cleveland, Ohio.

EDISON MAZDA LAMPS,
GENERAL ELECTRIC

They stay brighter longer



men was a futures market in the days of prohibition. But since repeal of the high-powered boys who sold gold bricks, who had to run various sell-and-switch "boiler factories" saw the law coming, found these warehouse receipts a juicy new game.

They bought warehouse receipts, got the sucker lists, and went to work. They reminded prospective customers how much whisky retailed for in the early era, implying that this new bonded stuff was going to bring a like price when it matured.

The Other Side

These slick salesmen forgot to tell their customers that some gallionage was going to evaporate in four years, that "light" whiskies don't improve much with age, that they had jacked up wholesale prices 100% to 300% on the receipts which they offered for sale.

Some heartbreaks and headaches resulted and the federal liquor authorities have been busy for two years warning the public not to listen to the fast talkers. Another such warning has just been issued by W. S. Alexander, administrator of the Federal Alcohol Commission.

Mr. Alexander points out that the buyer of a warehouse receipt can't obtain the whisky in bulk unless he holds a permit to distill, rectify, or bottle. Even when he has federal, state, and local permits to pay. And Mr. Alexander points out also that whisky production now is running at a high rate and that the market may one day be depressed by too much bonded liquor. In which case the buyer of the warehouse receipt, instead of having a handsome profit, would face an inevitable loss.

There is, too, the matter of state regulation. Many states don't regard warehouse receipts as securities but as commodities. Thus they can't go through a blue sky commission, but must be approved by the state liquor control board, the attorney general, or some other state officer. Some states outlaw them entirely and others allow only licensed dealers to buy them.

New Kind of Securities

But with collateral trust notes backed by receipts, it's something else again. The trustee, in effect, owns the liquor. The notes represent his promise to pay in one to nine months and bear interest around 3-3½%, according to maturity. These have won the status of securities in certain areas (Pennsylvania, for example) and other states will be hearing of them.

Pittsburgh is a city where the device has achieved prominence. A dealer advertises the collateral notes under the name of the distiller, lists his bank references, and tells the prospective buyer to see his own investment banker.

New Plants Wanted

Mississippi disturbs her sister states by a plan to subsidize industrial immigrations. Older manufacturing areas develop their inducements.

IN the recently intensified struggle for new plants and industries, company executives encounter the most violent competition between different sections of the country, between states in those sections, between communities in the states. Other localities are deeply interested in Mississippi's new plan for subsidizing industrial immigrations.

This device is the invention of Hugh L. White, Mississippi's lumberman governor. It seeks an industrial balance to cure depression upsets which put many citizens on relief or forced them to leave the state. Gov. White would prefer new enterprises but if he can draw established plants from other states that is all right too.

The plan (authorized by a special ses-

sion of the legislature) provides for bond issues by counties or municipalities to create industries and, if necessary, operate them. Most succulent bait is exemption from *ad valorem* taxation of such industries for five years. There are the following brakes to prevent ambitious communities from running hog wild:

Before a bond election can be held, each project must be OK'd by the state's industrial commission created in the bill. The bonds must have a two-thirds majority of those voting. Furthermore, the community must have sufficient supplies of raw material and labor. The act limits industries to those using Mississippi resources. Some specified candidates are cotton and wool textiles,

hosiery, rope, farm implements, stores, clothing, shoes, furniture, paper, dairy products.

Other Southern states will jealously watch the experiment. All hanker for factory jobs to care for surplus farm population. This cheap labor is a powerful argument. Just now Mississippi is being roundly criticized by her neighbors. But if the scheme works, imitation probably will take the place of censure.

Tax Exemptions Opposed

The New England Council (BW Oct 3 '36, p 30) advises towns to help retain their plants by tempering tax assessments to the shorn industrial lamb, but it opposes tax exemptions and outright subsidies. Some of the states which allow exemptions for new industries are Massachusetts, Pennsylvania, South Carolina, Georgia, Delaware, Alabama, Virginia, Kentucky, Louisiana, Florida, New Jersey, Maryland. Such inducements are forbidden the towns and counties by New Hampshire, West Virginia, Texas, California, Minnesota, North Carolina. Exemptions usually are limited to five or ten years.

Massachusetts recently joined New York and Delaware in exempting manufacturing machinery from taxation. Some Pennsylvania municipalities relieve such machinery from city taxes. In Maryland, counties may exempt manufacturing machinery from taxes.

The Chamber of Commerce of the United States dislikes high-pressure methods of capturing new industries and definitely discourages community donations. Where machinery used is easily moved (as in the garment trades) the plant may decamp when the gravy runs out. Ethics and business logic agree that locations should depend on such business determinants as labor and material supply, market proximity, transportation, power facilities.

Thorough Analysis Important

But valuable aids may be given and one of the most vital is the financing of new enterprises. Baltimore's success with its Industrial Corporation is a stand-out. Established in 1915, the corporation has skilfully applied \$200,000 of its capital to stimulating new concerns. Its board consists of 31 business leaders and there are 175 stockholders. Each new project is carefully analyzed as to managerial skill, market possibilities of product, labor, materials, prices, etc.

On approvals, the Industrial Corp. furnishes a small portion of the required capital, its officers negotiate for the rest. Participation in affairs of the new concern continues until it is well established or until it has repaid loans with interest. Despite some losses, the corporation has paid from 5% to 6% dividends yearly and built up a surplus. It has financed

WALTHAM - Boston Manufacturing Company

Building #4



(View of #4 from Company Property)

86,000 sq. ft. floor space.

- Building:** Outer structure. Heavy mill construction. Solid granite slab base. Formerly used as a weave shed.
- Expansion:** Open wooden and permits a 150 foot extension to be constructed on lots A and B.
- Transportation:** Boston & Maine R.R. spur track and trucking platform.
- Building:** Interior. Ceiling height 15'. 4 stories and basement. Dimensions, 103' x 130' with a two-story and basement 87' x 33' ell.
- Facilities:** One large elevator.
- Lighting:** Daylight is excellent. Artificial light has been recently installed by Edison Engineers.
- Partitioning:** Only one brick partition interrupts a clear floor area. A commanding location in commercial district gives the building an advertising vantage. The building is a complete manufacturing unit by itself.



(Third Floor Interior)

ALL THERE IN FRONT OF YOU—A loose-leaf insert from the Waltham, Mass. Chamber of Commerce ready-reference files illustrates the ease with which local business property may be catalogued and quickly scanned as needed. This type of data book has been used in Waltham for the past five years, and has been found to be of great value in showing visitors the unused industrial space available in the city.

002521032110156903924018021710644307104JOHN ANDERSON SONS										FURNITURE									
DATE										ACCOUNT TITLES									
MO. DAY MONTH YEAR										COMMONITY									
VENDOR NUMBER										SEQUENCE									
VOUCHER NUMBER										CASH DISCOUNT									
CLASSIFICATION										CONTROL									
LIST OR BRANCH										NAME									
SUB																			
00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11
22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22
33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33
44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44
55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55
66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66
77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77
88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88
99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99

PUNCHED CARD ACCOUNTING for the MODERNIZATION of MANAGEMENT METHODS

Business executives who are not fully informed regarding the basic principles of punched card accounting might be amazed at the simplicity of the method and the advantages which it offers. With punched cards and International Electric Bookkeeping and Accounting Machines, intricate and involved reports are obtained by electrical machine operation.

The holes in the cards are at once a permanent record and a guide for the electrical mechanisms to follow.

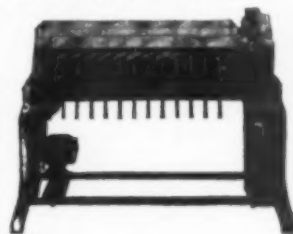
Day-by-day facts are first registered in tabulating cards in the form of punched holes. These facts and figures are automatically listed, accumulated or extended. Results are printed under appropriate headings to form accurate, detailed reports.

International Electric Bookkeeping and Accounting Machines operate at a speed which provides finished reports in a few hours, which formerly may have required days or even weeks to prepare. Investigate now the advantages which this modern accounting method offers.



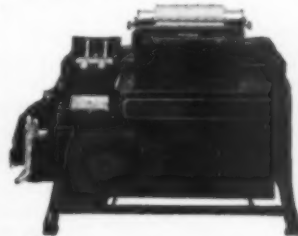
1

Pertinent data from original records is quickly registered in the cards by the ALPHABETIC PRINTING PUNCH.



2

The CARD-OPERATED SORTING MACHINE next automatically arranges the punched cards according to any desired classification.



3

The INTERNATIONAL ALPHABETIC BOOKKEEPING and ACCOUNTING MACHINE accumulates the information contained in the punched cards and prints it in detailed report form.

VOUCHER REGISTER

			DATE		June 28, 1935	
VOUCHER NUMBER	VENDOR NUMBER	VENDOR NAME	INVOICE DATE		CLASSIFICATION	CASH DISCOUNT
			MO.	DAY	MAIN	SUB
1568	3212	JOHN ANDERSON SONS	6	25	24	18
1569	3730	CLARKSON AND WEST	6	28	24	24
1570	451	LARKINS PRINTING CO	6	20	19	5
1571	207	F F MORCAN CORP	6	18	101	66
1572	1005	THOMAS AND ADAMS	6	15	18	475
1573	177	ROBERT GREEN CO	6	21	105	1769
1574	621	BURTON AND JOHNS	6	20	105	2017
1575	904	DIXON CHINA CO	6	17	105	1546
1576		EDWARDS	6	17	105	1125
1577			6	23	18	560

INTERNATIONAL BUSINESS MACHINES CORPORATION

GENERAL OFFICES
270 BROADWAY, NEW YORK, N. Y.

BRANCH OFFICES IN
PRINCIPAL CITIES OF THE WORLD



SITTING



IS A MAJOR PART OF ANYONE'S BUSINESS

The way you sit during your work determines to a great extent the way you think and feel. Sit properly and with maximum comfort in a Harter Steel Chair—scientifically designed to give posture support where it is naturally most needed—and you'll do a more efficient day's work, feel better at the end of the day, and be able to enjoy more thoroughly your hours of relaxation.

Ordinary chairs encourage one to slouch over, bow the spine, press nerves together, retard circulation, impede efficiency and induce fatigue. Modern management, however, with a sincere thought to the comfort and health of every employee and alert to the resultant effect on Company progress, is rapidly discarding antiquated seating facilities and installing Harter chairs instead.

Harter builds a complete line of moderately priced, attractive steel chairs for every purpose. Posture chairs adjustable to individual requirements, and others, standardized to fit the average posture need. **Free Trial** in your office or factory.

For further details on advantages of Harter Seating, put down name and address in margin, mail today

The
HARTER

Corporation  Sturgis, Mich.
Dept. 10-B

MANUFACTURER OF THE WORLD'S FINEST STEEL SEATING EQUIPMENT

some 10 large enterprises and 20 lesser ones. The organization is distinct from the city's Association of Commerce.

Louisville's Industrial Foundation is another success in this line. It assists new industries and helps old ones expand. After 20 years its assets stand at \$870,971. Most applications are from manufacturers seeking to relocate plants. Two-thirds of the board members must vote approval before a loan is extended. An increase in payroll is an absolute requisite. Formerly the foundation accepted preferred stock; now it demands first mortgages on land, buildings, or machinery. It has aided 51 firms with plants worth over \$10,000,000 and 4,147 employees. No dividends are paid the 3,000 stockholders, who take their reward in satisfaction at strengthening the city's industries.

In 20 Years, 22 Loans

The Easton (Pennsylvania) Guarantee Fund is an example of a credit plan. Its subscribers become liable for sums placed opposite their names. Attorneys acting jointly for these subscribers indorse the commercial paper and collateral on which banks provide cash for new projects. In 20 years the fund has made 22 loans, the largest being \$280,000.

For the successful application of a community financing plan, a committee of the New England Council lists these essentials: (a) a sufficient amount of capital, part of which may be subscribed but left subject to call; (b) capable directors who will safeguard the capital and keep an active check on all activities; (c) paid staff of competent men to investigate propositions and administer funds; (d) careful study of each proposal with a continuous watch over the company during the period of the loan.

Because of the special requirements for investigating, appraising, and follow-up, the Council's committee doubts that a chamber of commerce should be allowed to handle such matters. The average chamber of commerce is "not equipped to do this type of work." It should only be assumed by a chamber "under extraordinary conditions and then only when proper staff service and time allotment can be arranged for."

Rubber Looks for an Out

In the light of Mississippi's frank bid to help old manufacturing communities decentralize, the subject takes on added importance. It is known that the highly concentrated industries are playing with the idea. Big rubber companies, deviled by continuing labor agitation, are thinking in this direction. Henry Ford's experiments toward making winter jobs for farmers are along the same lines.

It will be interesting to check final results against conclusions in the special study, "Is Industry Decentralizing?" by Daniel B. Creamer, published by the University of Pennsylvania Press. Using



6,500 FOLLOWED SUIT—As J. Frank Grimes (center) lighted candles on quarter-ton tenth anniversary cake in Chicago last week, 6,500 members of the Independent Grocers' Alliance of America scattered throughout the country, lighted candles on smaller cakes and displayed them in their store windows. The cake was presented to President Grimes by General Foods, Inc., with Arthur C. Lange (left) and J. B. Roberts officiating.

statistics running to 1933, Mr. Creamer found little comfort for "the more extreme decentralizers."

He decides that the dispersion during the two years before the National Industrial Recovery Act "was primarily of the wage-cutting sort," something that should be noted "by those who attempted to encourage dispersion on humanitarian grounds." Diffusion confined to the nation's "200 industrial counties has been the more persistent and stable locational tendency." He concludes that it is more reasonable to expect that the industrial counties of the future may number 250 instead of 200 than to look for any wide dispersion of industry. This means "filling out the pattern" of the present major industrial regions.

"Voluntary," Aged 10

Independent Grocers Alliance has anniversary and reveals startling figures.

THIS week the Independent Grocers Alliance started a three-week program of festivities which is to mark completion of its tenth year as a voluntary chain of independent food merchants, and according to I.G.A. headquarters there are 6,500 members participating.

First of these was a love-feast given at the Palmer House, Chicago, to members of the I.G.A. headquarters staff, a selected list of food manufacturers, and some I.G.A. wholesalers. It was pre-

ended over by J. Frank Grimes, founder and president of I.G.A.

In food trade circles the I.G.A. has been a subject of both admiration and condemnation during its 10 years of existence. In 1926, Mr. Grimes adopted as his nucleus the 69 "Acorn" stores at Poughkeepsie, N. Y., and organized the I.G.A. as the first major promotion of a voluntary chain of independent grocers through interests not already engaged in food or grocery distribution. This immediately set I.G.A. apart as a money-making proposition, in contrast with voluntary chains revolving around retailer-owned wholesale establishments or those voluntary chains that were sponsored by a wholesaler. From those 69 stores, forming the first I.G.A. group, the enterprise has grown to proportions that always have defied accurate appraisal by an outsider although in 1930 the I.G.A. broadside of literature claimed 10,000 retail members and in 1932 the late W. K. Hunter, vice-president of I.G.A., claimed 11,000 units.

However, the special tenth anniversary issue of the *Independent Grocer*, house organ of I.G.A., supplies interesting data that may be used as a measuring stick.

Evidences of Size

In that issue I.G.A. claims 6,500 members and its list of wholesaler members names 63 main wholesale houses and 43 branches.

Those who have wondered how extensively voluntary chains are promoting controlled private brand merchandise will find that I.G.A. is selling its members nearly 100 different types of food products under its own brands and that total makes no allowance for different grades and styles of such items.

Then there are figures to show the effectiveness of special I.G.A. promotions. For instance, a program of so-called "Power Merchandising" events resulted in sales of 100 carloads of rolled oats, 23,000 cases of peanut butter, 40,000 cases of gelatine dessert, 10,000 cases of cake flour.

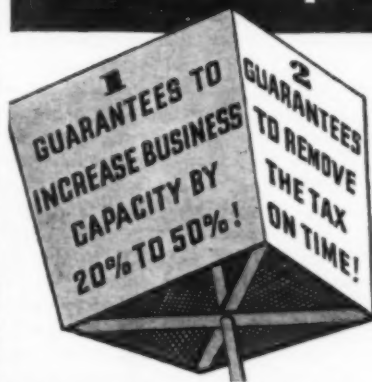
Despite those remarkable totals, statisticians are wondering at the totals of sales claimed by I.G.A. on the occasion of its tenth birthday. For instance, the statement is made that in 1935 the gross business of I.G.A. was \$435,000,000. That total, figure-sharks point out, would mean that each I.G.A. retail store had sales of nearly \$67,000 that year, which total is in sharp contrast with the \$14,000 which appears to be the average for food stores according to the Census of American Business, 1933.

Statisticians also marvel at the tremendous volume of sales which apparently must clear through the I.G.A.'s 65 main and 43 branch wholesale houses. With the advertised total of \$435,000,000 for 1935 taken as the basis, it would mean that each whole-

OVERWHELMINGLY ELECTED!



The new Pro-technic Ediphone on a 2-plank platform—



EDIPHONE—the people's choice—FULFILLS EVERY PROMISE!

Every day in the year, and under all kinds of conditions—Ediphone Voice Writing helps increase business capacity 20% to 50%. This increase is possible because Voice Writing makes YOU the master of your day.

No matter what your business or profession—whenever it is convenient for YOU . . . without waiting, without interruption . . . you Voice-Write your correspondence, memos, reports. Details get into the habit of being done, not forgotten . . . telephone calls are confirmed promptly.

And your secretary, free to concentrate on getting out your work, finishes it, on time!

The tax on time—yours and your secretary's—is removed. And more is accomplished—20% to 50% more!—with less effort.

"You-Pay-Nothing" Plan Provides Advance Proof!

Voice Writing is happy to prove its platform planks in advance! Put this new business administration to work in your office. Telephone the Ediphone, Your City, for details of the New Edison "You-Pay-Nothing" Plan, or write direct to the Laboratories of—

Thomas A. Edison
INCORPORATED
ORANGE, N. J. U. S. A.

Pro-technic Ediphone

saler unit handled \$4,100,000 worth of goods, although even in 1929 the country's 13,600 food wholesalers of all types averaged only \$675,000 in annual sales.

Those who listened to the remarks by Mr. Grimes on the occasion of launching the anniversary festivities were particularly interested in his warning that consumer cooperatives should be considered a distinct menace to all types of independent business.

Mr. Grimes contended that any serious invasion of various fields of business by cooperation "à la Europe" would eventually bring most of the independent farmers, retailers, wholesalers, and manufacturers under their yoke and thereby stifle individual enterprise.

Some observers combined the significance of those remarks with the extraordinary activities of the organization and the elaborate promotional aspect of the 164-page "anniversary" *Grocergram* and drew the conclusion that Mr. Grimes perhaps will use the tenth anniversary publicity as the springboard for an extensive drive to gain new recruits to the ranks of I.G.A.



Noises Threaten Short-Wave

Radio industry could sell many more sets if interference were eliminated. Manufacturers of electrical appliances are asked to help.

RADIO men fear they are unwittingly nourishing a skeleton in the closet. For at least five years, the sale of new receiving sets has revolved largely around the growing interest in short-wave broadcasting. Householders have replaced old sets in order to be able to listen to the foreign programs; but too often when they got the set home, there was so much noise that it was not much fun.

For the last three years about 60% of all domestic receiving sets sold had short-wave circuits. The year before that it was 30%. This year it will be 90%. As a result, by the end of 1936 somewhere around 13,000,000 household radio sets will have been installed by people who want to enjoy short-wave reception. And *Radio Retailing*, in throwing a spotlight on this skeleton, estimates that at least 25% more new sets would be sold for replacement, if decent short-wave reception could be obtained.

Noises Are Man-Made

The trouble is due to man-made electrical noises, which are preventable. Also this matter of short-wave reception is more than just a passing fancy. Rural homes, too far away from good city stations, can now shift to the short-wave circuits and get the programs there. For the leading stations in America are now rebroadcasting their regular programs by short wave, day after day, for the benefit of foreign countries, whose programs they, in turn, are using.

In the early days of radio this problem of interference was prominent, but gradually the use of filters in the receivers and improved antennae minimized the trouble. Now history is repeating itself in a big way, for short wave not only picks up noise from neighboring household electrical appliances but from the ignition of automo-

biles. A bus or truck can sometimes be heard five or six blocks away and at three blocks may completely drown the music.

So the radio people have a problem on their hands. But they are not in it alone. For manufacturers of appliances are also hearing from their customers when the new oil-burner or refrigerator spoils the party every time it switches on or off. And some of them are doing something about it.

According to Tobe Deutschman, an outstanding authority on the subject, it costs the oil-burner manufacturer \$1.50 to silence his machines before they leave the factory. But if the householder has to do it when he finds out what is ruining his radio, the job costs him about \$5. Just so, it costs 25¢ to quiet an electric razor when it is put together,



GROUNDWORK FIRST—Before the Federal Communications Commission makes up its collective (seven-man) mind about rearrangement of the broadcasting bands, it will hear expert opinion from all sides. Anning S. Prall (left), chairman, and Eugene O. Sykes are shown as they opened the first of a series of hearings.

Harris & Ewing

Every sip helps somebody

You who drink Budweiser have bought millions of dollars worth of barley and hops from American farmers... paid millions more in taxes into federal, state and local treasuries... provided wages for workers in allied industries... kept railroad men on the move... brought profits to retailers everywhere and business and activity to properties long vacant... Yes, whenever you drink Budweiser, you are helping somebody... and helping yourself to a keener enjoyment of good living.



AS YOU LIKE IT
In Cans • In Bottles
Order a carton for your home — NO DEPOSIT REQUIRED
ANHEUSER-BUSCH
ST. LOUIS



Budweiser

EVERYWHERE

When a product is of such quality that it is chosen universally by those who know how to enjoy the finer things of life, isn't that leadership?

but \$1 or more after it gets in service. Drink mixers, cleaners, refrigerators, and other motor-driven devices can be quieted for perhaps 20¢ in the making but \$2.25 if it must be a service job in the home.

And to show the menace of these devices, an oil-burner will spread its interference up to 350 yd. A sewing machine will make trouble from 50 to 125 yd. A dental engine will not only destroy the nervous system of its victim in the chair but scatter jitters over a radius of 150 yd. Cleaners, water pumps, meat grinders, printing presses, drills, they all do it.

Automobile Is Main Worry

The toughest noise-maker to tackle is the automobile. There is little defense against the 25 million cars now on the road. But manufacturers perhaps could afford to put in a filter—or wiring that minimizes ignition interference—in all new cars and use it as a sales builder. Trucks and buses are interested in avoiding consumer criticism.

A number of interesting checks have been made on the prevalence of noise interference. In Framingham, Mass., for example, where 5,000 radios are in use, one doctor uses an old electro-medical unit that disturbs 200 receivers. A rubber factory interferes with 500 sets. And so on. Traffic lights, also, are guilty. In Lake Placid, N. Y., they



OPEN FOR BUSINESS—Chicago's new State St. Kresge store utilizes modern planning to combine highest efficiency with good looks and comfort. Three selling floors feature air conditioning, high-intensity illumination, moving stairways, wide aisles to facilitate customer traffic. The marquee bearing the firm name in front of the store, with clock and temperature indicator, also carries a fully-concealed fire escape.

have spent \$35 apiece to quiet six of them that could have been silenced by the manufacturer for \$5 each. Other

towns are trying to correct the nuisance.

Faulty power lines used to make trouble in the early days but that has all been stopped. Utility companies long ago recognized that this was bad business and are quick to stop any noise that may start along their lines. Radio men are now trying to spur the power companies to lead the battle to make all manufacturers silence all domestic appliances, using the well-known influence of a big customer. Incidentally, their self-interest is large, since radio itself is an important current consuming appliance.

Radio Users Get Together

Consumer radio clubs are already being formed to fight the short-wave noise nuisance. In one section six such clubs employed a trouble-shooter for three weeks to locate sources of trouble. One filter manufacturer set up filter service stations through the country. Stations WEEI and WBZ in Boston ran a campaign on noise elimination and received 250 letters a day from consumers who wanted help. But no lasting results have been obtained that way.

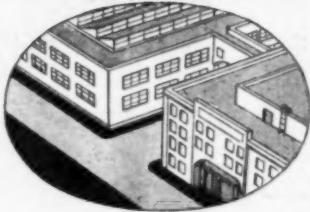
The only answer appears to be the awakening of the makers of the devices that cause the noise. And the radio industry is beginning to realize that it must do something about it unless the whole market for short wave is to blow up. Of course, hope of eventual television service is also involved. For television, too, will operate on short wave, and as it is, every passing truck and car would mess up the picture.

KOPPERS and the Radio



Many of the beautiful cabinets in which today's radios are installed would not be produced if it were not for molded and laminated resins. Koppers has played a large part in producing raw materials for these resins. Koppers materials also go into the production of resins for headphones, tube sockets, base plates for metal tubes, radio receivers and instrument panels. The finishing lacquers on many cabinets contain Koppers materials. Koppers products are used in insulating varnishes in the radio industry.

**KOPPERS COMPANY, TAR AND CHEMICAL DIVISION
PITTSBURGH, PENNSYLVANIA**



1. Tarmac for Roads
2. Roofing Materials
3. Waterproofing Materials
4. Bituminous Paints
5. Creosote for Wood Preservation
6. Light Oils
7. Tar Acids
8. Coal Tar Pitches

WPA Sit-Down

Workers Alliance campaigns for minimum pay of \$40 a month.

WASHINGTON (Business Week Bureau) A series of nationwide sit-down strikes of Works Progress Administration workers, or what the Workers Alliance of America calls "folded-arms protests," are scheduled for next week (Oct. 19-24). The day and the hour of such demonstrations will be chosen by local leaders. They may last for a half hour, an hour, a day, or longer during which the men will seek by mass meetings, parades, picketing, or other means to bring public attention to their demands for higher wages for relief workers. Next Saturday a committee of WAA officers and group leaders will go to the White House to appeal to Mr. Roosevelt—not in his capacity as President but as the man who by act of Congress was made the employer of WPA workers. The President has ignored previous appeals. That is the only reason why, according to David Lasser, its president, the WAA has acted.

Reason for Speed

The WAA has deliberately timed its demonstrations to strike public consciousness on the eve of the election. It is seeking a 20% increase in wages, \$40 a month as a minimum for all WPA workers. That 600,000 to 700,000 now are earning less than \$40 is Lasser's idea of the more abundant. Other demands are that the monthly wages shall be paid at trade union hourly rates and that WPA's administrative order No. 44, which docks workers for all time lost, be rescinded. This order permits WPA workers to make up next month time lost this month, but workers argue that they can't make up their bellies on such a schedule.

WAA also asks recognition, for the purpose of collective bargaining, of local groups as well as its national organization and that its representatives be placed on all labor policy boards. In other words, that WPA workers be given the rights guaranteed to privately employed labor under the Wagner Labor Relations act. WPA has recognized the right of workers to organize for collective bargaining but has ignored the demands of WAA.

Hopkins Ignores It

"I'm not worried," says Harry Hopkins, who has ordered his subordinates to ignore the situation.

Discounting entirely Lasser's claims of nationwide organization, WPA is not making any move to anticipate the demonstrations.

Altogether, it seems to be fairly evident that the Administration is ready to be hit by the consequences of recogniz-

A BUTTON

A FINGER-TIP

AND THEIR NEW SIGNIFICANCE



JUST a simple little push-button and the tip of a finger, but they signify the rounding-out of the most modern phase in elevator development. They are symbolical of Finger-Tip Control, offered by Otis to meet more perfectly every elevator need. Better service. Economy. New modernization possibilities.

Almost entirely automatic (usually but not always human operation—the pressing of a button), Finger-Tip Control reduces the human element almost to the vanishing point. Which means that service does not vary with the ability of the operator. Result: A quality of service heretofore unknown in the majority of buildings. Economy, because the elevator does just what it should do without wasted effort.

The modernization possibilities are almost unlimited because Finger-Tip Control has been designed for *all types of buildings*, large and small, residence and office, industrial and commercial. Particularly important is the fact that this latest of elevator developments adapts Signal Control (master of the Finger-Tip Line) to moderate-speed machines. Now these installations may be modernized without the costly scrapping of a large part of the machinery, and smaller buildings may have the same type of service as their taller neighbors.

Finger-Tip Control gives a new tempo to vertical transportation. It is something that cannot be ignored by any one who has a building that must show a profit.

OTIS FINGER-TIP CONTROL
for every elevator service

ing the rights of its relief workers to organize by the simple expedient of failing to recognize a strike. This has been its practice in the past when strikes have occurred. The projects are simply abandoned. But Lasser insists that the demonstrations are not strikes.

Lasser contends that the WAA is not an irresponsible organization, that its people do not want to continue to live on relief or on WPA, and that the WAA will be very happy when the time comes when it can liquidate its organization.

As described by Lasser, the WAA was pulled together out of already existing groups 18 months ago and now has a membership of about 800,000. The national organization has chartered 422 locals. Several of these, such as in New York City, have organized scores of sublocals. In addition 1,600 to 1,700 locals have been chartered by state organizations.

Lasser stutters slightly as he describes the activities of his organization directed from dingy offices over a downtown grocery store, three blocks from the White House. Chewing gum helps to regulate his speech and he talks quietly, almost casually. He is only 34 years old, a graduate of Massachusetts Institute of Technology in civil engineering, and looks just like every other young American in blue serge and blue shirt.

Unions Seek Unity

Lewis unbends a little in dispute with A. F. of L. on drive in steel mills.

SUBORDINATION of personal and clique ambitions to the general need for unity continued to rule in organized labor circles this week, as John L. Lewis and his Committee for Industrial Organization discussed future relations with William Green and the American Federation of Labor council. The hope of both sides: a steel-mill organization drive which will go places.

Of recent weeks, the steel campaign begun months ago by the C.I.O. has been sagging. That this lack of progress might bring conciliatory moves between industrial-union factions and craft-union groups has been forecast in *Business Week*, the only question being how far Lewis himself would unbend.

A Large Order

Probable results, after all the soft words have been passed and all the friendly statements have been released to the press, include a more unified movement to sign up the half million workers in the steel mills. The C.I.O. has spent a lot of money and hasn't got very far; wholehearted assistance from

the A. F. of L. (which is twice the numerically, of the Lewis unions) would put new life in the drive. But the results, observers agree, are by no means certain. The steel industry has not been organized, its company unions strong and vigorous, wage raises are a definite possibility if business is good, and the industry's management councils can't be bluff.

Despite the pre-election lull in militant labor circles, with strike talk being soft-pedaled, the chances for a steel drive against steel mills during the next year or so are better than even. Workers in the unions who have been asked to pay for the C.I.O. moves would like to see some action for their money. And full support of the steel workers themselves is not a prerequisite; strong and effective picket lines can be established with help of miners or other sympathetic groups (as was done in the rubber strike at Akron). Labor leaders, however, have little wish for a strike which would falter and fail to gain wage advances—as other strikes in the past have failed—and they won't call out picket lines unless conditions favor.

All of which belongs in the future, after election and after the A. F. of L. convention in Tampa, next month. The great family of organized labor still fussing over the craft-industrial deadlock, and it is by no means certain the convention will be assembled peacefully and will peacefully work out a solution.

The biggest problem in bringing the dissident C.I.O. back into the A. F. of L. family circle is this: a means of saving John L. Lewis' face must be found. That this may be done at least for the moment, to Mr. Lewis' satisfaction, is seen in the suggestion discussed this week—the steel drive would be pushed along with A. F. of L. support, but the campaign leaders would be the same. And the theme of organization, at least for that industry, would be industrial unionism.

West Coast Worries

Pacific Coast shipping circles, meanwhile, faced another crisis this week when the 15-day truce between employers and longshoremen ended. After all other means had failed to bring the two sides together, Rear Admiral Hamlet set out from Washington to take his hand at conciliation, representing the Maritime Commission.

Workers and employers differ along the line, indicating that a long hard pull is ahead before a satisfactory solution is found. In many essentials, the points of dispute are these: Length of workday, rate of pay, handling of "penalty" cargoes, use of hiring halls, direction of labor relations work, penalty systems for labor irregularities, standardization of work, use of picket lines.

Record Breakers of 1936

From all current indications, these industries will establish new, all-time peaks this year in either production, sales or both. They represent in large part comparatively new industries whose markets are not yet fully exploited. The consumer goods industries particularly reflect rising standards of living, being chiefly luxury goods rather than staples.

Consumer Goods Industries

Cigarette output
Electric range sales
Washing machine sales
Electric refrigerator sales
Radio sales
Incandescent lamp sales
Rayon output
Gasoline sales
Coal stoker sales
Oil burner sales
Shoe output
Liquor output
Whisky
Brandy
Bus traffic—passengers carried
Air traffic—passengers carried
Window glass output

Producer Goods Industries

Air Conditioning
Chemicals
Alkali output and sales
Carbon black output and sales
Chlorine output and sales
Plastics output and sales
Potash output
Sulphur sales
Titanium oxide output and sales
Crude rubber sales
Diesel engine sales
Electric power output
Glass
Container output
Plate glass output
Metals
Molybdenum output and sales
Tin plate output
Tungsten output
Sheet and strip steel output
Zinc die castings
Natural gas output
Paper
Kraft paper output
Paper board output
Petroleum
Crude oil output
Fuel oil output and sales
Transportation
Bus and trolley-bus sales
Air express poundage
Exports of planes, engines, accessories
Mail poundage carried

© Business Week



TO THE MAN

Who Wants His Dollars To Keep On Growing

A MAN who wants to do fresh thinking about ways to rebuild his financial reserves against the time when he may need them will find "The Dollar that Keeps on Growing" valuable to read.

This booklet, published by THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK, is already enjoying wide popularity. It is available to you through MUTUAL LIFE agency representatives or by writing direct to the Company's Home Office.

It explains that, although all dollars may look alike when they rest quietly in your hand, they are very different in action. Some dollars do you no more good than a few cents might do; some may even work *against* your welfare.

But there is *one* sort of dollar which is not only worth 100 cents in action, but sets up a wall of defense against any attempt to weaken it, creating an immediate *increase* in capital in the event of your death and a steadily growing *reserve* if you live.

That is your *Life Insurance dollar*—protected the moment it is received by THE MUTUAL LIFE

INSURANCE COMPANY OF NEW YORK by the dollars of thousands of other policyholders held in reserve for them.

A great change may take place in the establishment of a man's future security and comfort by a few moments' examination of the matter of slightly readjusting his viewpoint on everyday "dollar habits."

So many people look back upon their lives only to realize that a surprising amount of the money they have received has disappeared without leaving anything very real to show for it!

What is needed today is a clearly defined incentive to prevent such unnecessary losses. This Life Insurance supplies, as you will discover if you read this booklet, "The Dollar that Keeps on Growing."

Send for it and learn, if you do not already know it, why each dollar that comes to you should have at least a few cents in it that do not belong to the current year of your life at all, but which should be devoted to *some later year* when the value will be greater if only because the need is greater.

The Mutual Life
Insurance Company of New York

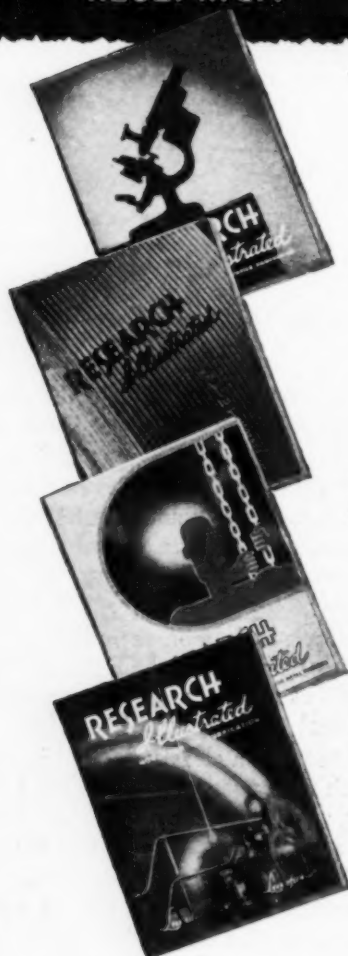
DAVID F. HOUSTON, President
34 Nassau Street, New York



FIRST POLICY ISSUED

FEBRUARY 1, 1843

ANOTHER ADVANCEMENT IN HOUGHTON RESEARCH



These privately printed magazines grow out of unceasing research in HOUGHTON Laboratories and in the field. They supplement many treatises upon processes and problems in textile manufacture, metal working, power transmission and lubrication.

This service is available without charge to industrial executives who will write us of their problems or their plans.

E. F. HOUGHTON & CO.

Chicago - PHILADELPHIA - Detroit

New Products

New things, new designs, new packages, new processes, new manufacturing and marketing methods

"SEAL-O-DIP," a cold dip process for transparently covering such unrelated products as citrus fruits, cigarettes, tools, and photographs, is the newest development of Beacon Laboratories, Inc. Its chemist-discoverer, Dr. J. A. McTaggart, states that it is an entirely new departure in the use of solvents and plasticizers, and that it may be colored, is waterproof and transparent, and perhaps can be made fireproof. Toys made by the process are said to be harmless, tasteless, and durable.

CAST rubber comes to the United States from England under the sponsorship of Kaysam Corp. of America. "Revertex," highly concentrated form of latex, is mixed with a secret setting-chemical plus almost any compounding agents such as dyes, pigments, perfumes, antioxidants, vulcanizing agents. Poured into an aluminum mold, the compound jells in from 3 to 10 minutes so that it can be handled for further processing. Articles manufactured in England range from "Darex" rubber pails to small stratosphere observation balloons with walls which stretch under expansion to the unbelievable thinness of one ten-thousandth of an inch.

BASIC lead chromate in the color known as International Airways Orange enters the production schedule of National Lead Co. under its Dutch Boy trademark; will come in paste form to be mixed gallon for gallon with pure raw linseed oil. I.A.O. has been adopted by nearly all nations as standard for checkerboarding and banding the airways of the world.

"ACME Colorstrip" will be shown publicly for the first time at the National Metal Exposition, Cleveland, by the Acme Steel Co. This cold-rolled strip steel, ready-lacquered, will come in practically all colors and shades, all standard strip widths and thicknesses;

can be bent, drawn, and formed without injury to the color coating.

THE patented Shu-Valet is offered by Dura Products Mfg. Co. for those who want to keep their shoes well polished. A flannel mitt, kept in position on the hand by a snap fastener, is impregnated on one side with polishing wax to be rubbed on the shoe, after which the other side of the mitt is used to finish the polishing job.

SLEETMASTER is a new type of windshield wiper blade, offered by Anderson Co. for use when sleet and snow threaten to blur the driver's vision. Wiping surface is a cloth pocket containing bars of a rock salt compound which, upon get-



ting wet, is said to melt snow and sleet. The salt elements are easily replaced by fresh refills. The wiper does not require any extra battery current.

AMERICAN TYPE FOUNDERS, INC., is going to announce a new line of A.T.F. portable non-offset spray guns for the printing industry. It is said that the current line brought out last March has been so well received that bond interest for the year will be paid by that line alone. Guns use compressed air to spray a volatile liquid containing microscopically powdered corn product. Though the powder itself cannot be seen by the naked eye, its thickness is sufficient to keep printed sheets from preventing offsetting.

FLOORCRAFTER floor mats and runners are advertised by the Cactus Mat and Patch Mfg. Co. as flexible, resilient, slip-proof, and as particularly adapted to use on uneven, bumpy or slanting floors, gangways, behind soda counters and in places where slippery working conditions are encountered. The mats are made of small segments of transversely cut 8-ply truck tires which are held together by highly flexible cord.

SLAUGHTER • SAVILLE and BLACKBURN, INC., Engineers

Specialists in Locating and Designing Southern Industrial, Chemical, Textile and Power Plants
7TH & FRANKLIN STS., RICHMOND, VA.

SEND FOR IDEA BOOKLET
SHOWING MAP SYSTEMS

MOORE Maptacks

Illustrates and tells how leading industries keep visible geographic records of sales activities, distribution quotas, etc. FREE. Write today.

MOORE PUSH-PIN CO., Philadelphia, Pa.
ORIGINAL MFS, PUSH-PINS, PUSHLESS HANGERS, MAPTACKS

See Metal Wonders

Cleveland meeting will get big attendance because of many new products.

DYNAMIC changes in metals and alloys will increase attendance at the National Metal Congress and Exposition, opening in Cleveland Monday, Oct. 19. Builders of machines and makers of metal products all know that each new metal or alloy developed by the metallurgist means a new shop technique to master.

There they will see that the trend in steel is toward broader markets through the line-broadening addition of lower alloy content steels, hence lower cost. Strengths and other physical properties will be found high enough for many practical purposes by grace of recent developments in heat-treating technique. New control devices and instruments assure ever closer control of temperatures that temper. Flame curtains and other ingenious devices burn out the scale-forming gases of the very air we breathe before they can do damage to sensitive metals. Precious heat is conserved by improved insulating refractories. One of them, it is said, has found cork for an ingredient during early stage of manufacture, the cork being burned out later to provide insulating dead air spaces in a virtual ceramic sponge. The trend in furnaces themselves seems to be toward more and smaller heating elements and burners per furnace; better current control in the electric type.

Using the Workman's Lot

Whether or not the American workman has gone soft during the easy-going alphabet days, automatic conveyors and feeds are doing more of the heavy work of loading and unloading furnaces. Even the old carburizing pots are giving some ground to continuous carburizing, conveyor borne. Carbon is absorbed from gases rather than the familiar granular compounds. Selective carburizing is becoming possible through the use of special paints and coatings. The spot which needs no hardening is covered with a stroke of the brush or a dip in the tank.

Though tempered copper was supposed to have passed out with the pyramids, beryllium-copper has strengths and other physical properties undreamed of a decade since; fatigue resistance, for instance. Nickel combined with beryllium and copper gives yet another set of properties.

The art of welding these various metals continues to replace less versatile and more costly processes. In electric welding the trend is decidedly toward rods heavily coated to inhibit oxidation; in gas welding the trend is toward closer flame control.



STEAM & POWER

without a Smoke Stack
in Taunton

Many metal working, textile and other industries now use central station steam and electricity at very low rates.

No working capital tied up in boiler plant equipment.

No fuel problem.. Lower labor costs..Satisfactory conditions.

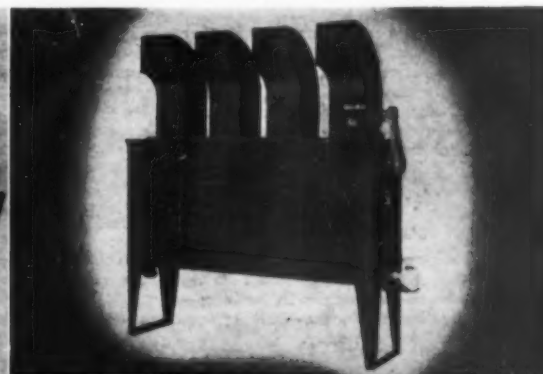
No local tax on machinery
State Tax \$5.00 per thousand

Send for Descriptive Booklet



TAUNTON • MASSACHUSETTS

Save Fuel!
Save Piping!
Save Traps!



UNITHERM UNIT HEATERS

with Synchrotherm Control at No Extra Cost

Decidedly different is our principle of large space, industrial heating. We recommend Clarage Floor-Mounted UNITHERM Unit Heaters equipped with Clarage Synchrotherm Control. It is Synchrotherm Control (patented feature) which enables us to show such substantial savings in fuel cost.

With Synchrotherm Control the unit heater fans operate ALL the time during working hours, giving a continuous NON-STOP circulation of warm air.

To maintain any desired temperature, Synchrotherm Control regulates

the amount of air passing THROUGH AND AROUND the heating coil. Marked economies in operating cost are the result. No hot ceilings—no cold floors! Synchrotherm Control makes Clarage UNITHERM Unit Heaters EASY on the coal pile.

Then, too, our floor mounted units utilize a very simple heating layout. There is invariably LESS piping and FEWER traps required—big saving in installation cost.

Before you buy, at least be informed on this latest factory heating development. Get a complete explanation of Synchrotherm Control by writing for Clarage FREE Bulletin 103.

SPECIFY CLARAGE

for
COMPLETE
AIR CONDITIONING
VENTILATION
HEATING
COOLING
MECHANICAL DRAFT
FANS & BLOWERS FOR
INDUSTRIAL NEEDS

CLARAGE FAN COMPANY • Kalamazoo, Mich.
SALES ENGINEERING OFFICES IN ALL PRINCIPAL CITIES

Holding your own as a business executive—



clarified
and made
easier
by these books

There is nothing sadder than the cases of star performers in production, in sales, accounting, or other departments of business practice, who fail to take hold when faced with executive duties and opportunities. The problems of analyzing, deciding, planning, and administering involve broad fundamentals that, consciously or otherwise, the successful executive uses every day. And to provide a comprehensive, adequate treatment of these principles, is the purpose of this library.

THE BUSINESS EXECUTIVES' LIBRARY

7 volumes, 5½ x 8, 2013 pages, illustrated

HERE is a set of books that deals only with the principles and techniques peculiar to the successful handling of executive problems in any line of business. Here are books that you can use to clarify your conceptions, and make more effective your handling, of the problems of thinking, planning and directing—in short, to get a real grasp on the reins of successful executive leadership.

These books give you the seven fundamental principles upon which executive success depends: 1. Know yourself and how to lead others. 2. Know your own business and business generally. 3. Know how to organize and manage your own department or an entire organization. 4. Know how to budget and forecast and plan for the future. 5. Know finances and how to make full use of your bank. 6. Know how to talk convincingly—how to sell your ideas and influence others. 7. Know how to think—how to analyze problems and arrive at correct solutions. Step by step this Library takes up these basic principles and shows how they may be mastered and applied.

Subjects covered in the Library

In these books you will find clear statements on the fundamentals of business organization—good management without friction, lost motion or inefficiency—selection and training of men—economics in business—curtailing overhead without loss of efficiency—maintaining self-confidence—raising organization morale, and a host of other subjects that are vital to you today.

10 days' free examination; small monthly payments

How the books fit your own individual case may be determined from an examination of the books themselves. They will be sent on receipt of the coupon below. Should you decide to keep them and employ their many helps, then send only your first small remittance, and the balance in monthly payments, while you use the books—paying, in all, actually less than you would if the books were purchased individually and without the installment payment privilege. See how they can serve in aiding your own progress. Mail the coupon today.

McGRAW-HILL BOOK COMPANY, INC.
330 West 42d Street, New York, N. Y.

Send me the Business Executives' Library, 7 volumes, postpaid, for 10 days' free examination. Within 10 days of receipt I will send \$1.50, and \$2.00 monthly until \$17.50 is paid, or return the books postpaid.

Name
Address
City and State
Position
Company BW 10-17-36
(Books sent on approval in U. S. and Canada only.)

Light on Alberta

Bondholders report that interest cut is unjustified. Bond dividend due in six months.

WHEN Alberta, westernmost of Canadian prairie provinces, elected a Social Credit government more than a year ago, many people in the United States looked on with mild curiosity.

When the Social Credit government in May imposed a 2% sales tax, wholesale sellers began to wonder how much farther their government interference in Alberta would go.

When, a little later, the Aberhart government decreed an arbitrary reduction in interest rates on all government bonds, investors in Britain and the United States joined with a large bond holding group in the Dominion to protest.

The total of provincial interest-bearing debt is more than \$170,000,000 and \$85,000,000 of this consists of bonds issued of which varying amounts are owned in the United States. With the arbitrary interest cut, Social Credit became of primary interest to a good many investors who have business south of the Dominion.

Finances Studied

Bondholders jumped into action as soon as the arbitrary interest cut was made. Headed by J. M. MacDonell, of Toronto, their investigating committee went to Edmonton to make its own study of Alberta's finances and ability to meet bond obligations.

Their report became public property recently, and it is a blow to the Social Creditors, for it declares that Alberta is unable to maintain its interest payments at the rate at which they were contracted. At the same time, it is a warning to other provinces that Social Credit has not been accepted in orthodox financial circles even if it is getting a present complete trial in Alberta.

Alberta bonds are selling at new lows. The 4% issue of 1949-54 has touched 50.

More New Deal

Alberta's unorthodoxy does not end with its repudiation of old bond contracts. A comparatively new Debt Adjustment act provides that debts contracted before July 1, 1932, will be reduced by the amount of payments made since then either on principal or interest. The balance then remaining is payable in 10 annual instalments without interest.

For debts contracted since July 1, 1932, the maximum interest rate collectible is 5%, and any interest payments in excess of 5% made since that date will be deducted from the principal.

Premier Aberhart is further extending

Alberta

report that inter-
justified. Ban
in six months.

ernmost of Canada
ected a Social Credit
an a year ago, many
d States looked

Credit governmen
y sales tax, which
der how much the
ference in Alberta

the Aberhart govern-
arbitrary reduction
all governments
Britain and the
with a large bond
Dominion to pay

cial interest-bearing
an \$170,000,000
is consists of bond
ing amounts in
States. With the
Social Credit movement
st to a good man-
business south of the

d into action
interest cut was
M. MacDonell, a
gating committee
ake its own stand
d ability to meet

public property
ow to the Social
s that Alberta
interest payments
they were cut
me, it is a warning
hat Social Credit
orthodox financial
getting a pre-

ing at new low
54 has touched
does not en-
old bond on
new Debt Act
hat debts con-
32, will be met
payments made
ncipal or interest
aining is pay-
ments without

since July 1
erest rate on
interest pay-
made since the
from the price
urther extension

his governmental control over busi-
ss. An amendment to the Trade and
Industrial Commission act provides for
the creation of a board of three to fix
maximum and minimum prices on all
etail trade, and to act as an arbitration
board to hear complaints throughout the
province.

Aberhart has about six months left
before he must start paying "basic divi-
dends" to all adult Albertans if he is to
carry out his major campaign promise.
Canadians and foreigners alike are wait-
ing for April, 1937. That's Aberhart's
deadline.

Royal to Germany
Typewriter company, unable to
export to Reich or liquidate
sales organization there, forms
connection with a small Ger-
man manufacturer.

BERLIN (Business Week Bureau)—Two
leading American companies have for
some years occupied a dominating posi-
tion in the German typewriter indus-
try through controlling interests acquired
several years ago in German manufac-
turing companies. They are now joined
—apparently reluctantly—by a third
American firm, the Royal Typewriter
Co., though its participation is on a
much more restricted scale than that of
the two former companies.

Little Fellows Attack
Heretofore the Underwood Elliott
Fisher Co. has controlled the Mercedes-
Wagner-Maschinenwerke of Zella-Mehlis
(Thuringia), manufacturers of one of
the most popular German typewriters.
Similarly, Remington controls the Tor-
pedo-Werke of Frankfurt-am-Main.
This invasion of American capital in the
German office machine industry for years
has been the subject of vehement at-
tacks on the part of the "smaller fel-
lows" and a section of the nationalistic
business press, notably the *Deutsche
Bergwerks-Zeitung*, influential organ of
West-German steel interests. No doubt,
the new move of the Royal Typewriter
Co. will give a fresh impetus to this
campaign.

Breaking Deadlock
It is significant that the action of the
Royal Typewriter Co. was not dictated
by any optimistic appraisal of the future
of the German market. It was rather
an outcome of the present deadlock in
German-American trade relations. All
possibilities of direct imports of Ameri-
can typewriters have been barred by the
refusal of German authorities to grant
permits for payments in foreign ex-
change, and quite recently by the ban
on private barter transactions as well.
To liquidate the existing Royal sales or-
ganization would have been of little

Business Week
OCTOBER 17, 1936

EGRY SPEED-FEED

saves money for ACME WHITE LEAD



Illustrated is part of a battery of
Egray Speed-Feeds used by Acme
White Lead & Color Works to speed
up writing of multiple copy forms in
ordering and billing departments.
Speed-Feed makes every typewriter
a billing machine in one minute with-
out change in typewriter construc-
tion or operation, or interfering with
its use as a correspondence machine.

Automatically inserts and removes carbons, making all time
of operator productive, increasing output by 50% or more.
Eliminates use of costly one-time carbons. Uses Egray Con-
tinuous Forms. Costs less than 2c per day for only one year.
Ask for information and demonstration in your own office.

THE EGRAY REGISTER COMPANY
DAYTON, OHIO DEPT. BW-1017

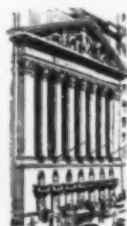
Sales Agencies in All Principal Cities

EGRY SPEED-FEED

"NEW YORK STOCK EXCHANGE

*Its Functions
and Operations"*

A booklet on this subject, de-
scribing the facilities and pur-
poses of the Exchange, will be
furnished free on
request. Write to
the NEW YORK
STOCK EXCHANGE,
Eleven Wall Street,
New York City.



For News About Business
Read Business Week

Subscription rate: \$10 for 3 years
BUSINESS WEEK
330 W. 42d St., N. Y. C.

Aetna Life Leads in number of
group policies in force!



All Forms of
Group Insurance
Life • Accident
Sickness • Pension

Through our trained Group Representa-
tives we are equipped to analyze your
employees' social problems and recom-
mend the proper plan for your
organization.

AETNA LIFE INSURANCE COMPANY
Founded in 1850 Hartford, Connecticut
COAST-TO-COAST CLAIM SERVICE



DITTO COPIES right from your original writing, typing or drawing; no stencil—no type

APPLY this basic fact to your own routine operations. Think of Ditto not alone in terms of "copies" of memos, bulletins, price sheets, but as a quick, easy solution of real knotty problems—how to eliminate several typing operations in your order system, or payroll routine; how to make big cuts in supply bills and clerical help, as well as how to simplify and speed up the whole routine.

Ditto is more than the quickest, cheapest way to duplicate. It is a better method which handles many jobs that no other method can even attempt.

Free!

Many money-saving uses for Ditto are interestingly described in our new book "Copies—Their Place in Business." Write for a copy—no obligation.



DITTO • DITTO • DITTO
DITTO Inc.

2225 W. HARRISON STREET, CHICAGO, ILL.
Please send me your new book "Copies—Their Place in Business," telling how Ditto will save money in my business. No obligation.

Concern.....
Name.....
Address.....
City..... State.....
Nature of Business.....

DITTO • DITTO • DITTO

avail since the proceeds could not be transferred to the parent company.

It has, therefore, been decided to arrange for a tieup with an existing German manufacturer. The choice fell on the Orga-A.G. of Berlin, a small concern, that has recently passed through drastic financial reconstruction. Its present capitalization is only 100,000 reichsmarks (about \$40,000). Some association with a financially powerful concern was its only hope. Capital is now owned by the German-South American Bank.

A formal transfer of ownership to Royal is not considered for the time being. The ownership and the management remain in the hands of German interests. Royal will, however, take over the financing of the Orga (it has already paid off Orga's bank debts) and the sale of its typewriters through the existing Royal organization. Whether at some date the Orga will also manufacture Royal models has not yet been decided.

General in Poland

American tire company makes deal with Polish manufacturer.

GENERAL TIRE & RUBBER CO., of Akron, is going to manufacture tires in Poland.

General Tire has just signed a contract with Stomil, S.A., the only automobile tire manufacturing company in Poland. The contract places the Stomil business under the supervision of General Tire engineers, who will leave for Europe before the end of October.

The Stomil plant is located at Poznan, is nearly 11 years old, produces about 300 tires a day, and is the principal source of supply for the Polish army and government.

Present plans provide that the output of General-built tires in the Stomil plant shall be limited to the trade in Poland alone, though it is possible that other European markets may later be supplied from the plant in Poznan on account of the difference in manufacturing costs.

Plan Russian-U. S. Air Line

MOSCOW (Business Week Bureau)—Aviation officials meeting in the Soviet capital recently discussed plans for establishment by next spring of a regular air service between Russia and the United States by way of the Arctic. The most favored route lies across Siberia from Moscow to Kamchatka; then along the Aleutian Islands to Cape Lawrence and Nome, thence southward. The journey would take four or five days, it is stated, and construction of the Soviet end of the line will cost 60 million rubles. Extension of existing Siberian lines to the Pacific will be undertaken in 1937.



WITH DITTO data written at branch office can be copied at the home office *Without Rewriting*

JOBS which you never thought of as duplicating jobs, Ditto handles easily, quickly, economically. For example, orders and reports typed at your branch office can be mailed to your home office and reproduced without rewriting. Additional information may be added to the reports at the home office before they are duplicated.

Hundreds of wholesalers equip their salesmen with Ditto copying pencils and order pads for writing their orders. This original, written by the salesman in the field, is sent direct to the home office where all necessary copies are made for filling, shipping and billing the order.



Free!

You will find many other interesting examples of Ditto's remarkable flexibility in our book "Copies—Their Place in Business." Write for a copy.



DITTO • DITTO • DITTO
DITTO Inc.

2226 W. HARRISON STREET, CHICAGO, ILL.
Please send me your new book "Copies—Their Place in Business," describing Ditto's great flexibility. No obligation.

Concern.....
Name.....
Address.....
City..... State.....
Nature of Business.....

DITTO • DITTO • DITTO

Business Abroad

Gold export regulations are accepted calmly as logical second move toward a "managed gold standard." French and German internal situations are major sources of worry.

An international agreement on gold exports stirred small surprise in world financial centers this week. It was what was generally expected would follow the power stabilization agreement. It provides the machinery by which the great currencies can help each other back to more stable relationships. Britain, with a pound still only vaguely tied to gold, appears on the surface to have the best of the bargain. Actually, France is likely to benefit most from outside support unless internal conditions improve soon so that capital will remain at home.

The United States, however, is not likely to lose in the deal. With \$11,000,000,000 of gold, with a tremendous advantage because of its huge share of world business, and with Washington determined to act first for the domestic market, second for the international market, it is not likely that Paris or London will be able to make a one-sided bargain.

Imports Exceed Exports

On the surface, the United States appears to be coming out on the short end of the deal in foreign trade this week. Actually, though purchases abroad were larger during the first four months just reported than sales, foreign business is on a broader basis and much greater volume than a year ago.

Exports, though not keeping up with imports, are well ahead of last year. Especially important gains were made in foreign sales of leather goods, fruit, tobacco, timber products, minerals, and steel products, machinery, and chemicals.

Imports are also ahead of last year, with striking gains for meat products, hides, coffee, sugar, liquor, burlap,

wool and paper. Obviously many of the gains are due to shortages caused by the drought. Many others—burlap and paper importantly—are due to steady industrial recovery.

Industry as a whole expressed small concern over the unfavorable balance. The last four months of the year are usually the biggest export months. It is then that farm products—including particularly cotton—go to market in the largest volume. It is probable that exports during the last four months of the year will wipe out the accumulated unfavorable balance.

Economists declare the United States

must make up its mind to accept a greater volume of imports than exports, or give up the idea of remaining a creditor nation. Other countries, they contend, can't continue to borrow from us and repay their debts if they can't accumulate a surplus of dollars by selling in the United States market.

These people point to this country's dwindling export surplus of the last 10 years and declare we are making the inevitable shift from a debtor to a creditor position. Others look at the ups and downs of the trade balance, recall the unusual farm conditions of 1934 and this year which have necessitated abnormal imports, and insist no new trend has yet definitely appeared, though it logically should.

Foreign trade thinking in the United States is not yet geared to the country's comparatively recent shift from a debtor to a creditor nation. The public in gen-



TOM SAWYER ON THE VOLGA—Russian movie-goers are going to have a treat; Tom Sawyer, Huck Finn and their exploits are being filmed right at home. That's Tom and his straw hat at top, and just below is the good old Volga-Mississippi, with Tom and gang about to shove off for a trip (note the Stars and Stripes). At left is another scene from the picture, with the director (far left) coaching the young actors while an admiring crowd of Ukrainians watches. The movies have become a big business in the Soviet Union. At the end of 1935, there were 35,000 theaters, only 2,285 of which were wired for sound. By the end of 1936, 11,000 theaters will have sound apparatus.



ORDERS ON
TYPED IN CHICAGO
BRANCH OFFICE

MADE IN NEW
HOME OFFICE
BUT REWRITING

TTO
branch
copied
office
writing

thought of
Ditto handles
mechanically. For
reports typed
n be mailed
reproduced
ditional in-
to the re-
before they

aters equip
to copying
for writing
al, written
eld, is sent
where all
de for fill-
the order.

tee!

I find many
interesting ex-
of Ditto's re-
flexibility
book "Place in
" Write for



CHICAGO, ILL.
"Copies—That's
Ditto's great des-

DITTO

NESS WEEK

OCTOBER 17, 1936

eral, and investors in particular, are going to be forced to adjust their planning to the new conditions.

France

Small, inexpensive cars feature annual Paris automobile show. Czechs show a popular rear engine model.

PARIS (*Wireless*)—Confidence has not returned to France following the devaluation. Externally the activity of the Communists is the greatest deterrent; actually, the entire political outlook is clouded. It is likely that recovery will not get under way until after a new election, which has become a possibility for early in 1937.

Paris is still discussing the automobile show which has just closed. Though there were no radical changes in car styles or mechanical improvements, the steady advance of the small, cheap car has stirred broad interest in this expanding market. Renault and Peugeot have produced outstanding small cars among the French manufacturers. Fiat of Italy, Adler of Germany, and Morris of England also showed popular cars in this class.

The American exhibits as usual attracted wide interest but it was shared with some very good Mercedes-Benz models, the strikingly silent four-speed cars displayed by British Bentley, and the Tatra which the Czechs showed again with its rear engine even better developed than last year. This car will probably be manufactured in France next year by the Lorraine plants.

Citroën has a new model which has been so perfected as to become once more an extremely popular competitor on the French market.

Germany

Business is less pessimistic over after-effects of devaluation; new export subsidies expected.

BERLIN (*Cable*)—Business interest is still centered in the painful adjustment of export trade to the recent devaluation wave, though the attitude is slightly more optimistic than last week regarding its effect on the volume of German exports to the countries which have recently devalued.

Nevertheless, an increase in the total amount of export subsidies paid is considered imminent. Also, plans are contemplated for extending the export subsidy levy to new groups of business which until now have not been subject to it. This is expected to include importantly the retail trade, with a general rise in the turnover tax as an alternative issue.



THE DICTATOR SPEAKS—Hitler, Mussolini, Stalin, and Dr. Kurt Von Schuschnigg (above) have one thing at least in common; they all are great speakers. The strong man of Austria is shown in the midst of one of his fiery speeches.

Great Britain

Steel production touches all-time high. "Clothed concrete" used in British construction.

LONDON (*Cable*) — Britain has been more optimistic this week than recently, in spite of the street clash between Communists and Fascists. Tension is not expected to spread, and the outlook on the Continent is less alarming. Trade prospects have brightened particularly in the Near and Middle East as a result of the firm action taken in the Arab situation in Palestine.

At home, industry is booming. Steel production in September touched an all time high of more than 1,000,000 tons.

The 3-power gold pact has been well received, though it was necessary for the Treasury to make a public statement that the agreement in no way implies that the pound is definitely stabilized in relation to gold. The arrangement is designed merely to assist in the technical cooperation between monetary authorities and in no way indicates the limits within which sterling will be maintained.

Considerable interest has been aroused here in a new type of building construction which is being called "clothed concrete." Several new buildings have already gone up using the new method. The wall is composed of brick faced

panels, two inches thick, backed by five inches of reinforced concrete. The panels are approximately three and a half feet long and three feet high. They are built up of thin bricks made of colored cement one inch thick cement into panels with a backing of strong fine concrete one inch thick.

Canada

Tourists spend huge sums in Canada. Quebec regulates pulp industry. Alberta anticipates Social Credit dividends.

OTTAWA—Canadian Thanksgiving week was celebrated with more spirit than for several years.

Federal revenue for the first six months of the fiscal year ended September is up \$35,000,000 over the corresponding period of the previous year. Expenditures are down \$17,000,000. Consequently Finance Minister Dunning will not have to meet the \$50,000,000 deficit for which he budgeted last May, but something much less.

In a survey of tourist traffic during the last 18 months, it is revealed that 1.5 million foreign automobiles entered Canada, 80% from the United States. Tourist traffic is now placed among the sources of national revenue. It is known that 689 conventions in nine Canadian cities alone left an estimated \$21,000,000 in the country.

Social Credit Progress

About \$10,000,000 in bank deposits and securities is estimated to have been sent out of Alberta last week in the wake of "flight of capital" from the alleged danger of confiscation by the Social Credit provincial government (page 42).

Commencement of Social Credit "dividends" is expected by some people before Christmas. The first payment probably will amount to \$5 or \$10. Registration shows 370,000 Albertans are eligible for them. Credit houses are being planned throughout the province. Dividends will be in the form of entries in credit books against which checks will be issued in payment for goods. The dealer accepting such checks will take them to the credit house and obtain equal credit for them and pay for the goods he sold by similar checks. These checks are expected eventually to reach the producer. To finance the dividends the government will impose a turnover tax on all transactions.

Quebec's new provincial government has taken a definite stand against further expansion of the pulp industry in the province until present production capacity is utilized. Premier Maurice

s thick, backed
enforced concrete
inch of cork
three and
three feet
thin bricks
thick cement
backing of
inch thick.

Latin America

Mexico shows signs of curbing
extremism. Farm products find
new export outlets.

Business progress in Mexico is being
checked closely by United States in-
vestors because, not only are many lines
opening, but there are evidences that
the government is making a sincere
effort to ease some of the most drastic
regulations which have of late fright-
ened foreign investors.

A new Stamp Tax Law aims at elim-
ination of all stamp taxes as soon as the
income tax produces the necessary
financial income.

A new law creates a Federal Fiscal
Court, which will become operative in
1937, in which will be heard all com-
plaints of individuals and corporations
against national fiscal regulations.

Further to strengthen the country's
financial structure, the Bank of Mexico
has been made purely a central bank.

In order to reduce the conflicts which
have grown out of the Property Nation-
alization Law, the government is re-
vising some cases in which property
owners claim their possessions were con-
fiscated beyond the implications of the
general law. An effort is being made to
interpret the laws more liberally.

A new Absentee Tax Law has been
passed. The old law taxed the export
earnings 2%, of capital accumula-
tion 4%. The new law provides a flat
rate of 4% on all funds leaving the
country except those covering the cost of
exports.

An important requirement of the new
law is pointed out by the Noel Mexican
Service. Foreign enterprises that main-
tain deposit accounts abroad must trans-
fer them to Mexico within a year.

Financing New Businesses

Reports from Mexico City indicate
that a plan is afoot to create, as a gov-
ernment project, a department to finance
commercial enterprises. Mining
and agriculture are to receive preferred
attention and the National Railways are
to have a certain supervision over the
department.

The Mexican Ministry of Foreign
Relations has announced that Mexico
will become the largest exporter of
bananas among the exporting countries
of the Americas. Last year, all countries
shipped a total of 55,019,139 bunches
to the United States. Of this total,
Mexico provided 12,346,616; Hon-
duras, 11,245,015; British Honduras,
8,047; Panama, 6,891,115; Cuba,

Four Dozen Dolls

WASHINGTON (Business Week
Bureau)—Enormous quantities of
American commercial credits are still
frozen in Germany. From time to
time during the last six years
schemes have been devised to get
these funds out, but none has worked
on a large scale.

Recently a large New York bank
with something over \$25,000,000
frozen in the Reich worked out a
new scheme for recovering the
money. After much thought and ad-
vice of counsel, the bank purchased
four dozen dolls in Leipzig, and had
them shipped to this country on its
own account to see whether the ship-
ment would run into any customs
complications. Here is the ruling the
Treasury department handed down:

"The department has been advised
by the German government that the
purchase price was paid 95% in regis-
tered marks and 5% in free reich-
marks; . . . that the use of regis-
tered mark credits for partial pay-
ments for shipments of German goods
is always made dependent upon the
condition that payment of the por-
tion of the account not payable from
the registered mark credit be made
in foreign exchange or free reich-
marks . . .

"And that no bond or scrip pro-
cedure, or public or private subsidy,
was permitted in connection with
the shipment, nor did any such aid
occur . . .

"On the basis of the advice re-
ceived from the German government,
and with the understanding that the
goods were purchased in Germany
by, and are being imported for the
actual account of, the original and
continuous owner of the registered
marks, and were not resold or agreed
to be resold by such owner prior to
their importation, the department is
of the opinion that no countervailing
duty accrues on the shipment covered
by (this) Leipzig counselor invoice."

Here may be a way for holders of
blocked marks to get their capital
out of Germany. If they are good
enough traders they may be able to
dispose of the imported goods at a
profit.

While bankers are not optimistic
that the ruling gives them sufficient
leeway to liquidate any large volume
of their blocked credits, cotton
growers are already hoping that they
can work on some variation of the
scheme in reviving sales to Germany
on the risk that they can liquidate
the credit on the same basis.

5,767,916; Guatemala, 5,483,863;
Colombia, 3,999,942; and Nicaragua,
2,954,225. Mexican banana exports
have doubled since 1933.

Other Mexican products are finding
important export outlets. Since sup-
plies from Spain are cut off and those
from Italy arriving irregularly, England

is taking several sample shipments of
canned tomatoes from Mexico. Hol-
land has been buying rice for some time,
and Holland and Germany, with the
United States, are taking important
shipments of henequen. Recently, an
order for pineapples has been received
from Cincinnati.

Soviet Union

New Moscow airport makes pos-
sible all-winter air connections
with western Europe. New drive
begins to boost gold output.

MOSCOW (Cable)—Uninterrupted air
traffic between Moscow and western
Europe will be maintained this year
for the first time, according to an an-
nouncement made at the Moscow air-
port this week. Formerly traffic was dis-
continued with the setting in of the fall
season until heavy crust snow settled on
the field enabling planes to take off.
Moscow's landing held has now been
improved and made fit for all weather
conditions. In addition, the port has
been fitted with radio, and the latest
type of field lighting system. The serv-
ice is maintained by the Deruluf line,
in which Germans and Soviets cooperate
to provide a daily service.

The final push to complete this year's
industrial production schedule is now in
full swing. Gross output of heavy in-
dustry for the first nine months regis-
tered an increase of 35% over the same
period last year, and a number of in-
dustries are now attempting to overfulfill
their schedules. At the same time, an
effort is being made to pull up produc-
tion of lagging industries, among
which are coal and timber. The Donbas
coal region, which produces almost two-
thirds of the country's coal, has inau-
gurated a campaign to boost daily produc-
tion to 250,000 tons, by the end of the
year, which compares with the present
average of 200,000 tons.

Tractors for Industry

Similarly, the timber industry is
being jacked up by a newly appointed
commissar. This industry, which was
equipped with only 558 tractors last
year, now possesses close to 4,000.
More mechanization, a campaign to
raise the qualifications of workers,
greater discipline, and insistence on
paying workers on schedule constitute
part of the campaign in this industry.

The gold industry, too, is forging
ahead in its attempt to maintain its lead
over all others. Serebrovsky, the com-
missar in charge, on a recent visit to the
Yenisei gold region issued instructions
that construction of a 250-mile automo-
bile road connecting the mining camps
with Yeniseisk must be pushed, as well
as the construction of dredges and re-
construction of old ones.

Money and the Markets

Stock market pays little attention to nearing election; business news has greater influence. Motor shares in spotlight, with announcements due from Ford, Chevrolet, and Chrysler.

Stock prices this week staggered at their ebullient tops, but volume tapered off — indicating that there was not much enthusiasm on the selling side. Profit-taking checked the rise, but did not follow prices down with any vehemence. Bonds were sluggish.

Business news was inconclusive, but encouraging, while the Anglo-French-American agreement on handling the pound, franc and dollar in foreign exchange did not cut much ice marketwise. Investors and speculators took the terms of the deal in their stride — as "expected."

Business Outweighs Politics

The election, which might be playing hob with prices, seems surprisingly remote. The big guns of the Democratic and Republican parties are booming, but stocks are paying little heed. Other factors are much too immediate and important — factors such as these:

Steel ingot production is at 75.9% of capacity, a new high for the recovery. Some mills are actually turning away orders.

Railroads are ordering new equipment; 158 locomotives have been booked in the first nine months and the estimate for the year is 250. Equipment manufacturers are bustling about and look ahead to 1937 with avidity. Demand for freight cars and steel rails is urgent and passenger car inquiries aren't news any longer.

Chain store sales in September showed a surprising gain — the highest percentage for any month since the depression, and merchandising stocks celebrated. F. W. Woolworth was a leader but Montgomery Ward and Sears, Ro-

buck were not far behind. The general well-being of the country has shunted aside the dread effects the drought would have on companies doing a large rural business. And now cold weather should put snap into October buying.

Automobile production is increasing steadily, should be in full swing by end of the month though Ford is still to be heard from, and Chevrolet has been slow in getting started.

Carloadings reached a new high last week and railroads should finish the year well in the black (*BW*—Oct. 10 '36, p. 21).

Electric power output is nudging the all-time high of 2,170,000,000 kw.-hr. per week; but the stocks are still wishy-washy—waiting for a turn in their political fortunes.

The seasonal increase in employment, which resulted in substantial gains in September over August, and which should continue this month, will add to consumer purchasing power and will tend to keep the ball rolling.

Textile activity is strong and prices have firmed up.

Such is the stock market background on the bullish side. Against it may be set the possibility of post-election strikes, but the Committee for Industrial Organ-

ization has had hard going in lining up steel workers, which is hardly conducive to any blow-off. In fact, the effort to become reconciled with the American Federation of Labor would appear at least on the surface—to be a sign of extension. Moreover, the steel companies may come through with a wage increase and stave off trouble and unionization by a single swoop.

Shares are now at the highest level since the 1931 spring bulge and it should not be long before they cut across the 1930 trend line. Toward the tail end of that year, stocks sagged lamentably following the Hoover sunshine boom from January through May.

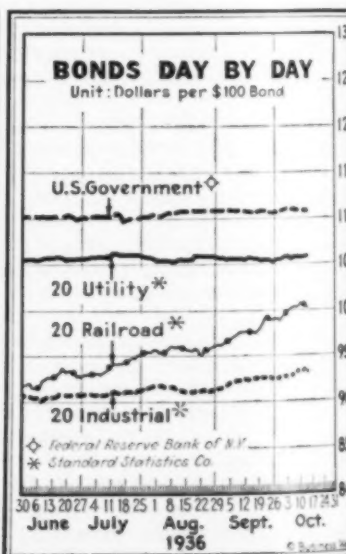
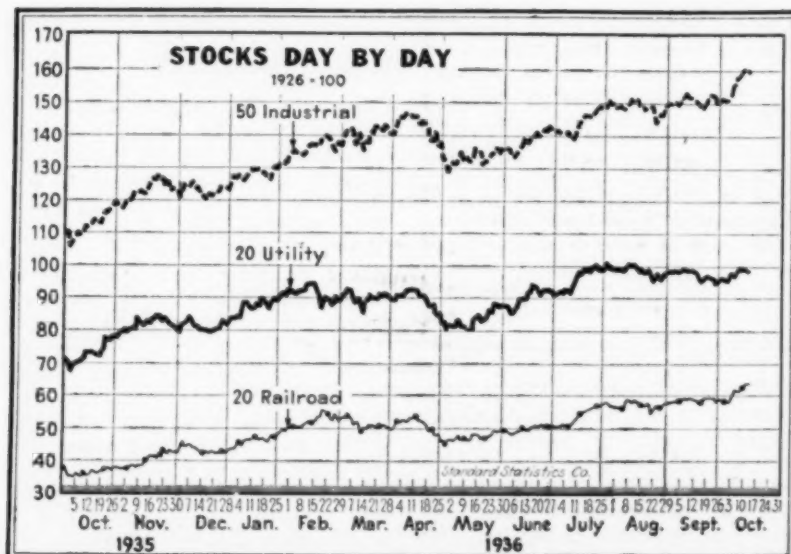
Announced price reductions on high bracket models of some automobiles—Buick, Lincoln Zephyr, Graham—have kept motor shares in the limelight. No basic chance is indicated definite quotations on Ford, Chevrolet, and Plymouth will determine the trend, as those companies are engaged in their annual game of "wait-and-see-what-the-other-does."

Prices Significant

Any lowering of the basic price level would be of tremendous significance, economically. It would be a signal that the industry is going after a big production year. Reductions on the low-priced cars would be designed to increase sales rather than to hold them—in a year which promises to provide better than average automobile buying power.

Offering of \$150,000,000 American Telephone & Telegraph debentures (*BW*—Sep. 26 '36, p. 44) at 101 came with high grade bonds were just a bit on the soggy side. But the issue, representing a debt of a premier corporation, was sufficiently attractive to appeal to investors and it immediately went to a premium.

Every once in a while the bond market shows signs of over-exertion on the up-



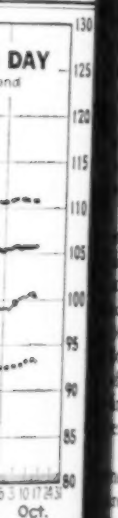
going in lining
is hardly conduct
fact, the effort
with the Ameri
would appear
to be a sign of eas
the steel compa
with a wage incre
and unionization

t the highest le
bulge and it sho
they cut across
ward the tail of
heged lamentab
sunshine bo
May.

ductions on high
time automobiles
r. Graham—ha
the limelight. B
dedicated definit
Chevrolet, and P
the trend, an
gaged in their a
and-see-what-th

basic price lev
significance, es
a signal that
a big product
low-priced ca
to increase siz
them—in a ye
vide better th
ng power.

0,000 Ameri
aph debentur
t 101 came wh
just a bit on p
ue, represent
ration, was su
real to invest
to a premium
the bond mark
tion on the u



UNDERWOOD & UNDERWOOD
NEW S' MAN—Securities and Exchange
Commission is rapidly winding up mis-
cellaneous jobs and getting down to en-
forcement. So Ganson Purcell, who has
been of counsel in a manipulation hearing,
has been shifted to the division of investi-
gation and enforcement, under David
Stein.

side. Yields are pretty slender and a
hardening of interest rates would be a
normal development in a period of busi-
ness expansion. But no concrete signs
yet appear—particularly with the govern-
ment still anxious to keep money plenti-
fully easy. Expansion in commercial
banks might take up slack, but the move-
ment has not gained much headway.

Finance companies, because of largely
expanded volume, have been anticipating
the possibility of hardening money rates
by new financing—either by bonds or
stocks. Another such issue is to come
out shortly. The 82-year-old commercial
factoring firm of James Talcott, Inc.,
(*ENR*—Apr. 4 '36, p22,24) has arranged
to sell 100,000 shares of its common
stock.

Although the company has publicly
sold preferred stock, this will be its
first distribution of common shares. The
scope of the business has expanded mark-
edly since 1929, when volume was \$29,-
000,000. Last year it amounted to
\$68,200,000 and for the first nine months
of 1936, the total was \$59,900,000. The
firm's roots go back to the New England
textile industry of pre-Civil War days.

Riding the crest of business improve-
ment, with resultant advances in stocks,
are the investment trusts. Third quarter
reports have come out showing sizeable
increases in liquidating values. The in-

vestigation of the Securities & Exchange
Commission in Washington, moreover, is
bringing out more palatable facts. This
is because time is on the side of the trusts.

Although they took huge losses in the
1929-1932 decline, the subsequent re-
bound in prices has restored original
share values in many cases. The net of
this is to give trust managers something
pleasant to look back upon. Instead of
being discomfited by questions of SEC
counsel on unsatisfactory results in the
falling market days, the sponsors now
point to what they managed to do when
stocks were rising. And, as far as the
headlines go, it makes much more satis-
factory reading.

Dividend Cheer

Liberal dividends contribute to chip-
per feelings. General Foods will con-
sider an increase in payments before the
year is out; Mohawk Hudson Power
Corp. helped to prove all is not up with
the utilities by boosting the rate on its
preferred from \$1 to the regular \$1.75 a
share. Pennroad voted a 25¢ distribution
as against 20¢ in December, 1935. And
Continental Can voted a 25¢ extra.

Earnings reports, moreover, presage
higher disbursements, if the burden of
the undistributed earnings tax is to be
avoided. Based on recent reports, Gen-
eral Electric and Eaton Manufacturing
are likely candidates.

Commodity markets this week were
distinctly more interesting. Government
crop reports were out of the way with
their inevitable restrictive influence.
Moreover, the Department of Agriculture
and private estimates for the first time
just about agree on the potential cotton
outturn, removing one of the hazards
which in recent weeks have kept traders
on the anxious seat. Fair advances en-
sued.

Here's the way it works out. The
private prognosticators figured that cot-
ton crop condition on Oct. 1 indicated a
production of 11,500,000 to 11,600,000
bales. The government report set the
figure at 11,609,000. Close enough.
Contrast that with the situation a month
ago when the Washington statisticians
said 11,121,000 bales, whereas the trade
estimates ranged all the way from
12,000,000 to 12,500,000. And two
months ago the Department of Agricul-
ture forecast was for 12,481,000 bales,
something like 500,000 bales above the
average of the private predictions.

That the figures have finally closed
the gap caused sighs of relief in cotton
trading centers. On top of that, there
were some fairly optimistic predictions
on consumption for the current crop year,
beginning Aug. 1, 1936. Domestic mill
use is good and export business is perk-
ing up after a slow start.

Cotton mills in this country took

Consider Your Surplus Retention Tax

**WHY NOT—Distribute your earnings as dividends—borrow
working capital economically—through LAWRENCE SYSTEM**

SUBSTANTIAL NET SAVINGS CAN RESULT

Even a small corporation can effect
savings despite the new tax imposed
by the 1936 Federal Revenue Act.

As an example, a company might
distribute as dividends \$50,000 of
earnings and surplus, then borrow
\$50,000 for further operations and
save \$10,000 by the procedure.

One of the most eco-
nomical routes to addi-
tional working capital is
LAWRENCE SYSTEM. This

method enables you to increase your
loan accommodations as much as
300%. It does not interrupt the nor-
mal conduct of your business.

Immediate action may save you
thousands of dollars. Get full infor-
mation on LAWRENCE SYSTEM before
it is too late to meet the tax deadline.

Write, wire or telephone
Dept. D-9 of the nearest
Lawrence office today.
No obligation incurred.



CREATING COMMODITY PAPER AGAINST INVENTORY

A. T. GIBSON, President

NEW YORK: 52 Wall St. • CHICAGO: One North LaSalle St. • BUFFALO: Liberty Bank Building
SAN FRANCISCO, CALIF: 37 Drumm Street • LOS ANGELES, CALIF: W. P. Story Building
FRESNO, CALIF: 2030 Anna Street • DALLAS: Santa Fe Building • SPOKANE: 155 South Stevens
HOUSTON: 601 Shell Bldg. • PORTLAND, ORE: U. S. Natl. Bank Bldg. • BOSTON: 49 Federal St.
SEATTLE: 1014 Fourth Avenue South • HONOLULU, T. H: Dillingham Transportation Building

PAGE FENCE



**Reasoning
won't stop
mobs!**

"But our Page Fence did. It gave sane leaders time to gain control. We're protecting all our plants with Page Fence—doing it now. We know of no better way to invest part of this year's earnings. If you stop to think—could there be a better time?"

PAGE FENCE has many constructional advantages. The new wing channel Line Post provides superior galvanizing, greater strength, a far neater, more serviceable installation. Because no one metal is suitable for all fence conditions—PAGE alone offers a selection of superior fence metals—ARMCO Ingot Iron, ALCOA Aluminum, Allegheny Stainless Steel, Copper-Bearing Steel, genuine Wrought Iron.

Located throughout the United States are 92 Page Fence Distributors. Write to one of the offices shown below for helpful literature and name of the Page Fence expert nearest you.

PAGE FENCE is a product of the Page Steel & Wire Division of the American Chain Company, Inc.

PAGE FENCE ASSOCIATION
Bridgeport, Connecticut
NEW YORK PITTSBURGH ATLANTA
CHICAGO SAN FRANCISCO

This Label—Your Guarantee
The PAGE P-12 label identifies PAGE galvanizing which is guaranteed to withstand a minimum of 12 one-minute dips by the Preece Test. PAGE P-12 galvanizing applies not only to fence fabric but also to posts, top rail and fittings as well—your guarantee of maximum resistance to rust.

America's first wire fence—since 1883

**For News About Business
Read Business Week**
Subscription rate: \$10 for 3 years
BUSINESS WEEK
330 W. 42d St., N. Y. C.

THE LINCOLN NATIONAL LIFE INSURANCE CO. FORT WAYNE, INDIANA

★ Capital \$2,500,000 — 250,000 shares par value \$10. Regular 3% quarterly dividend (\$300. per share) payable November 2nd to stock of record October 27. Stock transfer books close October 28 to November 1st, both dates inclusive. R. J. Stoner, Treasurer.

Neon Truck Signs

—NOW Possible with Amazing New TRANSFORMER and Novel Method of Tube Installation! **DISTRIBUTORS WANTED**

Old, established factory wants financially responsible business executives—to handle distribution in exclusive territories. Signs fill long-felt Advertising need! Enable any advertiser to have brilliant, colorful, attention-getting Neon Advertising message on trucks, both day and night. Expected to quickly sweep country! Easily installed on top driver's cab. Amazing NEW TRANSFORMER enables Sign to operate on any truck's standard 6-volt auto storage battery—using only about same amount current as an extra tail light. Novel method tubing installation protects against breakage. Reasonable capital handles exclusive Distributorship Contract. Big Profits. No sign experience necessary. We furnish entire product. FREE LITERATURE gives details, explains liberal proposition. Write today!

E. E. SOUTHER IRON CO., 1953-A3 Klenken Ave., St. Louis, Mo.

1,203,016 running bales in the first two months of the new crop year; 627,727 last month. This compares with 858,972 for the two months last year and with 450,647 in September, 1935. September exports this year were 569,624 bales and the two months accounted for 752,111 against 468,764 and 728,248, respectively, a year ago.

These figures bolster the trade's hopes that domestic mills will consume about 7,000,000 bales this year and foreign establishments from 5,000,000 to 6,000,000 (foreign consumers took pretty close to the higher figure last year). If consumption should hit 13,000,000 bales of American cotton this year it would mean a further reduction of something like 1,600,000 bales in total supplies—would just about eliminate the surplus problem as the carryover would not be a great deal over 5,000,000 bales and that's about a normal.

Wheat, too, has been coming in for its share of attention. While prices in the United States have risen, they haven't equalled earlier highs. Quotations in Liverpool (which more truly reflect world values) have been at 7-year tops. Southern hemisphere scares (BW—Oct 10 '36, p. 54) were conspicuous. Traders are becoming more and more unanimous that there is a tight world situation, that any shortage "down under" will mean big doings, pricewise.

So the old, familiar stories are cropping up—dust storms in the Argentine, frosts in New South Wales, grasshoppers and dry weather in Australia generally. Harvest time will tell the truth of the reports. But in the meantime export demand in Winnipeg is good with prices pushing through the season's highs.

There have been increasing evidences that the Commodity Exchange Admin-

A Capital Dividend

State Street Investment Corp. stockholders toward the end of the year will receive a special cash dividend of approximately \$20 a share, thanks to the Revenue Act of 1936.

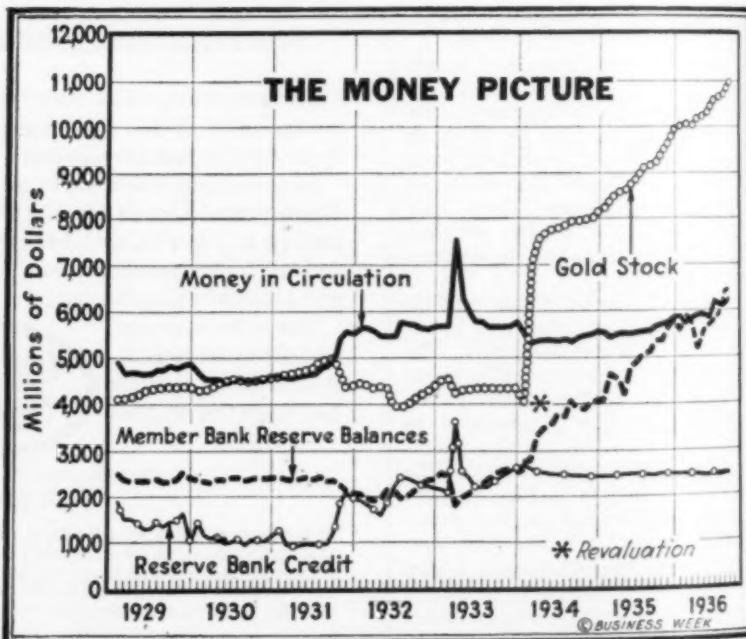
In order to qualify as a mutual investment company and thereby escape the normal corporate income tax and the surtax on undistributed earnings, the company must pay out 90% of its income, including profits on the sale of securities.

The special dividend will represent securities profits in major part, indicating that about \$10,000,000 was made in this manner. But though the checks may gratify, they will cast their reflection on the market price of the stock—which will drop. In effect, the distribution is a return of capital.

istration is launching its new regulations but the opening moves are nothing to worry the markets. The start was made with "Regulation A—Execution of orders in commodity futures" which has to do with "matching orders." That's a case where a trader has a buy and sell order in the same future month and executes one against the other.

Regulation A doesn't ban those transactions. It simply says that both orders must first be offered openly and competitively. If they aren't taken, the broker may "match" them under certain rules which the CEA clearly defines.

The administration also put out a precautionary notice, calling dealers' attention to the law's provision that customers' funds must be segregated from other accounts of a firm. This regulation is more onerous; brokers see a lot of paper work in it.



nt Corp. stock
end of the year
cash dividend
a share, thanks
of 1936.
as a mutual in-
thereby escape
income tax and
distributed earnings,
out 90% of its
its on the sale

will represent
major part, indi-
0,000,000 was
seven. But though
they will cast
market price of
prop. In effect,
turn of capital.

new regulations
are nothing
start was made
-Execution of
-res" which has
orders." That
a buy and sell
month and ex-
er.

an those trans-
at both order
only and com-
't taken, the
under certain
ly defines.
are limited in political knowledge and
linded by partisanship. However well
they may know their particular busi-
nesses, they don't know politics.
Millions of otherwise intelligent men
were actually surprised when Coolidge
won in 1924, Hoover in '28, and Roose-
velt in '32. The candidates of both
leading parties keep on making speeches
to the end, and the national committees
never falter in boastful prediction. Thus
it is made easy for people to believe
what they want to believe. And thus
illusion arises, to be followed by dis-
illusion. And in 1940 there will be
writers who will write: "This is a tough
campaign to figure out. Why, in 1936
even a child—"



Editorially Speaking—

the press-agent of the Pennsyl-
vania State College: "American house-
wives can expect more and better eggs
this winter as the result of a novel egg-
giving 'school' conducted at the Penn-
sylvania State College." Will there be
prize for the housewife who lays the
best eggs?

ONE of J. Edgar Hoover's assistants de-
clares that the recent decrease in the
number of arrests among boys in their
teens is due to the popularity of
seven. This is nothing but a guess.
Another guess could be that the de-
crease is due to the absorption of boys in
the Civilian Conservation Corps.

Various publications we've noticed
several comments on the election cam-
paign, all running about as follows:
This is a singularly difficult campaign
to analyze. The election will be close.
Most elections have been landslides, and
there was no mystery at all about who
was going to win the election in 1908,
1912, 1920, 1924, 1928, and 1932.
Even a child could have named the
winner."

Even a child could have done so
afterwards, but not before. In nearly
every presidential campaign, a capable
observer can make a pretty good estimate
of the probabilities. But most people
are limited in political knowledge and
blinded by partisanship. However well
they may know their particular busi-
nesses, they don't know politics.

Millions of otherwise intelligent men
were actually surprised when Coolidge
won in 1924, Hoover in '28, and Roose-
velt in '32. The candidates of both
leading parties keep on making speeches
to the end, and the national committees
never falter in boastful prediction. Thus
it is made easy for people to believe
what they want to believe. And thus
illusion arises, to be followed by dis-
illusion. And in 1940 there will be
writers who will write: "This is a tough
campaign to figure out. Why, in 1936
even a child—"

Mr. DINSMORE will be heard from,
with a thunder of statistics," we wrote
a few weeks ago; and Wayne Dinsmore,
secretary of the Horse and Mule Asso-
ciation of America, confirms the predic-
tion with this note:

Right you are. Horses and mules
have been higher this season than for
many years and choice farm chunk
mares standing 16 hands and weighing
around 1,500 lb. have brought more
money than they have at any time within
the past 40 years. . . . Between 1920
and 1925 we had an oversupply of
horses and mules—supply exceeded de-
mand and breeding was curtailed. . . .
We saw the situation 15 years ago

and did our best to stimulate breeding
at the right time; but many men I
talked with seven and eight years ago
thought there would be no demand for
horses or mules in 1935—now with
prices higher than ever, they have had
to buy instead of having a pair to sell."

It was a simple little ad: "Attorney,
female, 24, extremely personable, ambi-
tious, wishes business position."

"That's what's wrong with women in
business," said the Gentleman Down the
Hall. "How can a young man, looking
for a job, compete with this extremely
personable and ambitious female? All
he has to offer is ability and industry."

"How can a woman compete with
men on the basis of ability and industry
when so many employers expect some-
thing more from her?" said the Gentle-
man in the Adjacent Room. "They ex-
pect her to be personable, and this ambi-
tious baby is merely smart enough to
face the facts and candidly announce
her ability and extreme willingness to
deliver the goods."

SOME time ago a manufacturer brought
out a hand micrometer to sell at a very
low price. Naturally it was less accu-
rate than expensive micrometers, but for
ordinary purposes it was wholly satis-
factory. Moreover, it was so handsome
and expensive-looking that a bright
young man found he could lay it on the
counter in a pawnshop and collect more
than twice what he had paid for it. He
bought a few dozen and hocked them
all, until the pawnbrokers caught on to
his racket and flashed a warning through-
out the three-ball circuit.

MAYBE this election is pretty compli-
cated in some places, but it's perfectly
simple in Massachusetts. All the Massa-
chusetts voter has to do is to avoid con-
fusing Gov. James M. Curley, the Demo-
cratic candidate for Senator, with Charles
F. Hurley, the Democratic candidate for
governor.

Also to avoid confusing James M.
Curley and Charles F. Hurley with
James M. Hurley, the Democratic candi-
date for state treasurer.

And to avoid confusing Charles F.
Hurley and James M. Hurley with Wil-
liam E. Hurley, the Republican candi-
date for state treasurer.

Curley with Hurley, Hurley plus Curley,
Curley and Hurley and Hurley or Hurley,
Stalwart men all, bold men and burly,
Jimmy M. Curley and Charley F. Hurley,
Surely they never will speak to you surly
When seeking your vote, will Curley and
Hurley.

Charley F. Hurley and Jimmy M. Curley,
Jimmy M. Hurley and Billy E. Hurley.
So cast your vote early for Curley and Hurley,
And also for Hurley, or maybe for Hurley,
Billy E. Hurley, not Jimmy M. Hurley.
Teammate of Hurley and Jimmy M. Curley.

"HOLD THE LINE, PLEASE—OUR
BLOODHOUNDS ARE TRACKING
HIM DOWN"



... a better method — so many
think — is to use an EDWARDS



LOKATOR

★ A convenient, compact, efficient and
economical device that quickly locates
people when they are wanted. With silent
lights, musical chimes, bells or blasting
horns, it transmits the desired person's
code number throughout your plant or
office.

The LOKATOR eliminates: (1) cus-
tomers' disgust at being forced to "hold
the line" for long periods; (2) wasted
time of phone operators, secretaries and
office boys while a man is being located;
(3) tying up your switchboard with in-
coming calls; (4) time lag while execu-
tives attempt to reach other executives,
factory managers, etc., in their own plants;
(5) annoyance caused everyone by your
operator's round robin inquiry, "Is Mr.
Jones in your office?"

Edwards and Company, the recognized
authority on all electrical signaling for 66
years, guarantees your LOKATOR system.

THE LOW COST WILL AMAZE YOU

Complete Installation for This Plant, \$162.70

Goodman & George, Inc., N. Y. C.—
one 4-story and one 3-story building—
75,000 sq. ft. Said Pres. Goodman: "I
don't see how we ever got along without one."



There is an Edwards representative near
you ready to demonstrate a complete
LOKATOR System in miniature on
your desk at your convenience. Just
write Dept. "B".

EDWARDS and COMPANY
INC.

140th & EXTERIOR STS • NEW YORK

PAGE FENCE



**Reasoning
won't stop
mobs!**

"But our Page Fence did. It gave sane leaders time to gain control. We're protecting all our plants with Page Fence—doing it now. We know of no better way to invest part of this year's earnings. If you stop to think—could there be a better time?"

PAGE FENCE has many constructional advantages. The new wing channel Line Post provides superior galvanizing, greater strength, a far neater, more serviceable installation. Because no one metal is suitable for all fence conditions—PAGE alone offers a selection of superior fence metals—ARMCO Ingot Iron, ALCOA Aluminum, Allegheny Stainless Steel, Copper-Bearing Steel, genuine Wrought Iron.

Located throughout the United States are 92 Page Fence Distributors. Write to one of the offices shown below for helpful literature and name of the Page Fence expert nearest you.

PAGE FENCE is a product of the Page Steel & Wire Division of the American Chain Company, Inc.

PAGE FENCE ASSOCIATION
Bridgeport, Connecticut
NEW YORK PITTSBURGH ATLANTA
CHICAGO SAN FRANCISCO

This Label—Your Guarantee

The PAGE P-12 label identifies PAGE galvanizing which is guaranteed to withstand a minimum of 12 one-minute dips by the Preece Test. PAGE P-12 galvanizing applies not only to fence fabric but also to posts, top rail and fittings as well—your guarantee of maximum resistance to rust.

America's first wire fence—since 1883

For News About Business
Read **BUSINESS WEEK**
Subscription rate: \$10 for 3 years
BUSINESS WEEK
330 W. 42d St., N. Y. C.

THE LINCOLN NATIONAL LIFE INSURANCE CO. FORT WAYNE, INDIANA

★ Capital \$2,500,000 — 250,000 shares par value \$10. Regular 3% quarterly dividend (30c. per share) payable November 2nd to stock of record October 27. Stock transfer books close October 28 to November 1st, both dates inclusive. R. J. Stoner, Treasurer.

Neon Truck Signs

—NOW Possible with Amazing New TRANSFORMER and Novel Method of Tube Installation! **DISTRIBUTORS WANTED**

Old, established factory wants financially responsible business executives—to handle distribution in exclusive territories. Signs fill long-felt Advertising need! Enable any advertiser to have brilliant, colorful attention-getting Neon Advertising message on trucks, both day and night. Expected to quickly sweep country! Easily installed on top driver's cab. Amazing NEW TRANSFORMER enables Sign to operate on any truck's standard 6-volt auto storage battery—using only about same amount current as an extra tail light. Novel method tubing installation protects against breakage. Reasonable capital handles exclusive Distributorship Contract. Big Profits. No sign experience necessary. We furnish entire product. **FREE LITERATURE** given details, explains liberal proposition. Write today!

E. E. SOUTHERN IRON CO., 1932-A3 Klenlen Ave., St. Louis, Mo.

1,203,016 running bales in the first two months of the new crop year; 627,727 last month. This compares with 858,972 for the two months last year and with 450,647 in September, 1935. September exports this year were 569,624 bales and the two months accounted for 752,111 against 468,764 and 728,248, respectively, a year ago.

These figures bolster the trade's hopes that domestic mills will consume about 7,000,000 bales this year and foreign establishments from 5,000,000 to 6,000,000 (foreign consumers took pretty close to the higher figure last year). If consumption should hit 13,000,000 bales of American cotton this year it would mean a further reduction of something like 1,600,000 bales in total supplies—would just about eliminate the surplus problem as the carryover would not be a great deal over 5,000,000 bales and that's about a normal.

Wheat, too, has been coming in for its share of attention. While prices in the United States have risen, they haven't equalled earlier highs. Quotations in Liverpool (which more truly reflect world values) have been at 7-year tops. Southern hemisphere scares (*BW—Oct 10 '36, p. 54*) were conspicuous. Traders are becoming more and more unanimous that there is a tight world situation, that any shortage "down under" will mean big doings, pricewise.

So the old, familiar stories are cropping up—dust storms in the Argentine, frosts in New South Wales, grasshoppers and dry weather in Australia generally. Harvest time will tell the truth of the reports. But in the meantime export demand in Winnipeg is good with prices pushing through the season's highs.

There have been increasing evidences that the Commodity Exchange Admin-

A Capital Dividend

State Street Investment Corp. stockholders toward the end of the year will receive a special cash dividend of approximately \$20 a share, thanks to the Revenue Act of 1936.

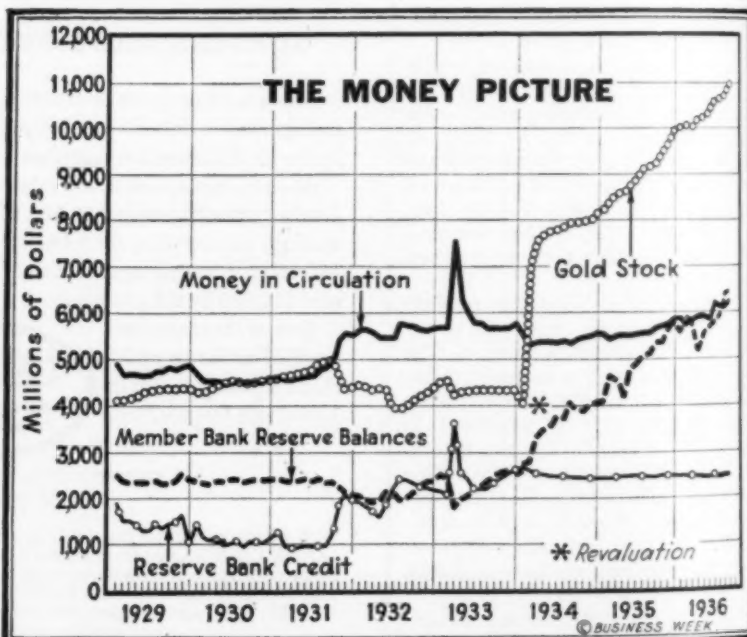
In order to qualify as a mutual investment company and thereby escape the normal corporate income tax and the surtax on undistributed earnings, the company must pay out 90% of its income, including profits on the sale of securities.

The special dividend will represent securities profits in major part, indicating that about \$10,000,000 was made in this manner. But though the checks may gratify, they will cast their reflection on the market price of the stock—which will drop. In effect, the distribution is a return of capital.

Administration is launching its new regulations but the opening moves are nothing to worry the markets. The start was made with "Regulation A—Execution of orders in commodity futures" which has to do with "matching orders." That's a case where a trader has a buy and sell order in the same future month and executes one against the other.

Regulation A doesn't ban those transactions. It simply says that both orders must first be offered openly and competitively. If they aren't taken, the broker may "match" them under certain rules which the CEA clearly defines.

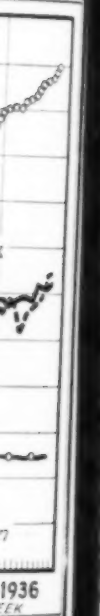
The administration also put out a precautionary notice, calling dealers' attention to the law's provision that customers' funds must be segregated from other accounts of a firm. This regulation is more onerous; brokers see a lot of paper work in it.



Dividend

ent Corp. stock-
end of the year
l cash dividend
a share, thanks
of 1936.
as a mutual in-
d thereby escape
income tax and
buted earnings,
out 90% of in-
fits on the sale
I will represent
major part, indi-
0,000,000 was
men. This is nothing but a guess.
But though
they will cast
market price of
drop. In effect,
turn of capital.

new regulation
are nothing to
start was made
-Execution of
ures" which ha
orders." That
a buy and sel
month and ex
er.
an those trans
at both order
enly and com
't taken, the
under certai
ly defines.
put out a pre
dealers' atten
that customer
from other ad
regulation is
a lot of pap



1936
EEK

Editorially Speaking—

from the press-agent of the Pennsyl-
vania State College: "American house-
wives can expect more and better eggs
this winter as the result of a novel egg-
giving 'school' conducted at the Penn-
sylvania State College." Will there be
any prize for the housewife who lays the
best eggs?

ONE of J. Edgar Hoover's assistants de-
clares that the recent decrease in the
number of arrests among boys in their
teens is due to the popularity of
men. This is nothing but a guess.
Another guess could be that the de-
crease is due to the absorption of boys in
the Civilian Conservation Corps.

various publications we've noticed
several comments on the election cam-
paign, all running about as follows:
This is a singularly difficult campaign
to analyze. The election will be close.
Most elections have been landslides, and
there was no mystery at all about who
was going to win the election in 1908,
1912, 1920, 1924, 1928, and 1932.
When a child could have named the
winner."

Even a child could have done so
afterwards, but not before. In nearly
every presidential campaign, a capable
observer can make a pretty good estimate
of the probabilities. But most people
are limited in political knowledge and
blinded by partisanship. However well
they may know their particular busi-
nesses, they don't know politics.

Millions of otherwise intelligent men
were actually surprised when Coolidge
won in 1924, Hoover in '28, and Roose-
velt in '32. The candidates of both
leading parties keep on making speeches
to the end, and the national committees
never falter in boastful prediction. Thus
it is made easy for people to believe
what they want to believe. And thus
illusion arises, to be followed by dis-
illusion. And in 1940 there will be
writers who will write: "This is a tough
campaign to figure out. Why, in 1936
even a child—"

Mr. DINSMORE will be heard from,
with a thunder of statistics," we wrote
a few weeks ago; and Wayne Dinsmore,
secretary of the Horse and Mule Asso-
ciation of America, confirms the predic-
tion with this note:

"Right you are. Horses and mules
have been higher this season than for
many years and choice farm chunk
mares standing 16 hands and weighing
around 1,500 lb. have brought more
money than they have at any time within
the past 40 years. . . . Between 1920
and 1925 we had an oversupply of
horses and mules—supply exceeded de-
mand and breeding was curtailed. . . .
We saw the situation 15 years ago

and did our best to stimulate breeding
at the right time; but many men I
talked with seven and eight years ago
thought there would be no demand for
horses or mules in 1935—now with
prices higher than ever, they have had
to buy instead of having a pair to sell."

It was a simple little ad: "Attorney,
female, 24, extremely personable, ambi-
tious, wishes business position."

"That's what's wrong with women in
business," said the Gentleman Down the
Hall. "How can a young man, looking
for a job, compete with this extremely
personable and ambitious female? All
he has to offer is ability and industry."

"How can a woman compete with
men on the basis of ability and industry
when so many employers expect some-
thing more from her?" said the Gentle-
man in the Adjacent Room. "They ex-
pect her to be personable, and this ambi-
tious baby is merely smart enough to
face the facts and candidly announce
her ability and extreme willingness to
deliver the goods."

SOME time ago a manufacturer brought
out a hand micrometer to sell at a very
low price. Naturally it was less accu-
rate than expensive micrometers, but for
ordinary purposes it was wholly satis-
factory. Moreover, it was so handsome
and expensive-looking that a bright
young man found he could lay it on the
counter in a pawnshop and collect more
than twice what he had paid for it. He
bought a few dozen and hocked them
all, until the pawnbrokers caught on to
his racket and flashed a warning through-
out the three-ball circuit.

MAYBE this election is pretty compli-
cated in some places, but it's perfectly
simple in Massachusetts. All the Massa-
chusetts voter has to do is to avoid con-
fusing Gov. James M. Curley, the Demo-
cratic candidate for Senator, with Charles
F. Hurley, the Democratic candidate for
governor.

Also to avoid confusing James M.
Curley and Charles F. Hurley with
James M. Hurley, the Democratic candi-
date for state treasurer.

And to avoid confusing Charles F.
Hurley and James M. Hurley with Wil-
liam E. Hurley, the Republican candi-
date for state treasurer.

Curley with Hurley, Hurley plus Curley,
Curley and Hurley and Hurley or Hurley,
Stalwart men all, bold men and burly,
Jimmy M. Curley and Charley F. Hurley,
Surely they never will speak to you surly
When seeking your vote, will Curley and
Hurley.

Charley F. Hurley and Jimmy M. Curley,
Jimmy M. Hurley and Billy E. Hurley.
So cast your vote early for Curley and Hurley,
And also for Hurley, or maybe for Hurley,
Billy E. Hurley, not Jimmy M. Hurley.
Teammate of Hurley and Jimmy M. Curley.

"HOLD THE LINE, PLEASE—OUR
BLOODHOUNDS ARE TRACKING
HIM DOWN"



... a better method — so many
think — is to use an EDWARDS



★ A convenient, compact, efficient and
economical device that quickly locates
people when they are wanted. With silent
lights, musical chimes, bells or blasting
horns, it transmits the desired person's
code number throughout your plant or
office.

The LOKATOR eliminates: (1) cus-
tomers' disgust at being forced to "hold
the line" for long periods; (2) wasted
time of phone operators, secretaries and
office boys while a man is being located;
(3) tying up your switchboard with in-
coming calls; (4) time lag while execu-
tives attempt to reach other executives,
factory managers, etc., in their own plants;
(5) annoyance caused everyone by your
operator's round robin inquiry, "Is Mr.
Jones in your office?"

Edwards and Company, the recognized
authority on all electrical signaling for 66
years, guarantees your LOKATOR system.

THE LOW COST WILL AMAZE YOU
Complete Installation for This Plant, \$162.70

Goodman & George, Inc., N. Y. C.—
one 4-story and one 3-story building—
75,000 sq. ft. Said Pres. Goodman: "I
don't see how we ever got along without one."



There is an Edwards representative near
you ready to demonstrate a complete
LOKATOR System in miniature on
your desk at your convenience. Just
write Dept. "B".

EDWARDS and COMPANY
INC.
140th & EXTERIOR STS • NEW YORK

OCTOBER 17, 1936

Abundance by Division

The shibboleth of the New Deal is the abundant life. Some three weeks hence a certain number of millions of Americans will go to the polls and vote for a continuance of the Roosevelt Administration. They will seem conscious of many and varying reasons for this decision, but the one dominant reason will be that Roosevelt has convinced that many people that he is making progress towards the abundant life for everybody in this country.

If asked the categorical question, even the New Dealer would admit that added abundance must come out of producing and consuming more goods, creating and using more services. It would seem, then, that business must be encouraged.

The Administration's policies, however, seem to be based upon a philosophy of scarcity instead of plenty. It is planning and working on the theory that prosperity can be gained by producing less at a higher price and that the abundant life is to be had by taking from those who have and giving to those who have not.

The number of those who will endorse such policies on Nov. 3 might have been smaller had business started sooner and done more to inform the people as to the real source of wealth. The Administration has confirmed the obvious fact in this matter by admitting that unemployment will be a national problem until business expansion opens up many new jobs.

If business is to provide prosperity and abundance in this country it must remain a live, changing, and growing thing. The laws and pronouncements of the Administration have tended in one part to reframe our economy by the patterns of 50 years ago and freeze it there, and in another part to create abundance eventually by a mad rush of inflation with an unprecedented period of depression to follow. Many important pieces of legislation tend directly to fan the flames of the next period of inflation and to force, at the end of it, liquidation such as we have never known before. Of the many pieces of legislation done after this pattern, two are outstanding, and these are quite apart from the administrative policy of forcing bank credit to absorb government deficits.

The first is the corporate surplus tax, which forces corporations to pay

out their earnings in stimulation of inflation when business is advancing and leaves them with no surplus to cushion the next depression by paying out the accumulations of previous years to maintain dividends, employ labor, create markets for new products, and modernize equipment.

The second is this Administration's punitive tax on capital gains, which is of timely interest because of the analysis Pres. Charles R. Gay has just made of its effect on the New York Stock Exchange and the investment markets. But more important than Mr. Gay's complaint is the fact that this structure does more than any other legislative device to speed us on our way in times of inflation and to pitch us into the depths when the depression comes.

Whatever the underlying impulses may be, inflations occur because more people want to buy than to sell, and depressions result from a complete reversal of those conditions. The capital gains tax provides that 100% of a profit is subject to tax if the property or security sold has been held for less than a year. The percentage of profit that is taxable decreases gradually over the years to a minimum of 30%, but the owner must hold his purchase for 10 years in order to get off with so light a penalty.

Our economy needs sellers in the time of inflation. This law forces all those who have a paper profit to hold on while prices are going up, to hold on in fact until a situation exists which promises to wipe out more of their profits than the tax would take from them. And when that particular point is reached under this law, everyone who owns property on which a profit exists must rush to sell before the deluge overtakes him. Here would seem to be a law which places a subsidy on inflation and gives the maddest sort of impetus to any tendency towards panic.

Mr. Gay points out that the spread between the bid and asked prices at

the end of the day on the stock exchange is wider than ever before, that the market is more vulnerable and falls short of its function of giving true and stable value to the collateral on which a large part of our credit structure rests. The grain markets, too, have suffered from a combination of punishment and reform. These motives became so tangled up with proper regulation that the markets were almost destroyed. Grudging relief was given when farmers and millers protested that a sick market was no place to hedge the grain crops of the country.

These things are merely symptoms of a basic weakness which is best reflected by the philosophy that abundance is to be had by division rather than by creation.

Not If They Rely On Efficiency Alone

There was a good deal of enthusiasm and confidence at the recent convention of the Cooperative League of the U. S. A., and there were exuberant tales of remarkable merchandising efficiency. But if the cooperatives have to rely on their efficiency alone, they will be a long time pulling private competitive business off its solid foundations.

Most consumer cooperatives in the United States are many years old. Such success as they have gained is chiefly in a few Middle Western states, where local conditions have favored them, and in the sale of oil and gasoline, which are singularly standardized products, graded and labeled and sold in bulk. A cooperative that tries to sell shoes is up against a more brain-racking problem.

But will the cooperatives have to rely on their efficiency alone? Not if the government grants them favors that are denied to other distributors. And not if the government cramps other distributors with prohibitions from which cooperatives are exempt. If the Robinson-Patman act, for example, should put prices on stilts, it may be fairly easy for cooperatives engaged in the sale of staples to undersell their competitors. Many distributors of staples supported the Robinson-Patman act. If they see consumers' cooperatives growing, they may want to repeal it.

Published weekly by McGraw-Hill Publishing Company, Inc., 330 West 42nd St., New York. Tel. MEdallion 3-0700. Price 20¢. Subscription: \$5.00 a year, \$10 for three years. U. S. A., possessions, and Canada. Other foreign, \$7.50. Cable Code, McGrawhill.

Glenn Griswold
Vice-President and Editor

Ralph B. Smith
Managing Editor

Paul Montgomery
Manager

Marketing, O. Fred. Rost
Foreign, J. F. Chapman
Industry, Earl Whitehorse, Burnham Finney
Management and Labor, Frank Rising

Economics, J. A. Livingston
Transportation, Irvin Foos

News Editor, Louis H. Engel
Finance, Clark R. Post
Statistics, R. I. Carman
Washington, Paul Wootton, Carter Field

the stock market before, the vulnerable and the collaterals of our credit grain market a combination of form. These tangled up with the market. Grudging farmers and a sick market the grain crop

rely symptoms which is best to why that about division rather

one

of enthusiasm recent conversation League of the were exuberant merchandising cooperative efficiency alone the pulling process off its solid

operatives in the many years old have gained in middle Western conditions have the sale of oil are singularly graded and low. A cooperative is up against a problem.

operatives have to alone? Not if s them favors er distributors. Government cramps prohibitions are exempt. an act, for es- ces on stilts, in or cooperatives of staples to etitors. Many supported the If they see con- growing, they

and St., New York for three years.

Code, McGraw-Hill

Paul Montgomery Manager
r, Louis H. Engel
ance, Clark R. Par
ties, R. I. Carlson
oton, Carter Field

BUSINESS WEEK

BU

BUSINESS INDICATOR

